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ABSTRACT

A two-part study was conducted to determine the feasibility of implementing job-sharing in state and county governments in Hawaii. First, a literature review was performed to obtain an overview of the job-sharing concept and of the results of its implementation in other state and local governments and businesses. The legislation relating to job-sharing in Maryland, California, and Palo Alto, California, was examined. Presented in part 2 is information that was gathered to construct a framework for an investigation of job-sharing in public employment in Hawaii; the fringe benefits of public employees were investigated; and an analysis was made of the cost impact of job-sharing by using hypothetical models. From the two parts the following conclusions were reached: (1) job-sharing is too new a concept to draw firm conclusions as to its merits and faults; thus, the other findings are to be considered theoretical, and followup studies need to be conducted; (2) job-sharing appears to reduce fiscal/economic costs when compared with the standard costs of hiring one full-time employee; and (3) if the secondary employee is presently supported either by welfare or unemployment insurance, there appears to be an overall reduction in costs to state and local governments. (The appendixes and exhibits in the report include copies of the legislation requesting the feasibility study; a list of the resource persons consulted; the methodologies to determine the cost of a welfare recipient sharing a job and the supplemental unemployment insurance benefits; and a bibliography and chronological history of job-sharing.) (ELG)

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THE FEASIBILITY OF JOB SHARING BY PUBLIC EMPLOYEES IN HAWAII

Some Preliminary Considerations

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FOREWORD

During the 1976 and 1977 Regular Sessions of the Hawaii State Legislature, several Resolutions requesting examination and study of the emerging concept of "job-sharing", generally defined as the sharing of one full-time permanent position by two persons, were adopted. The Resolutions so adopted, are shown respectively as Appendix A and Appendix B.

Job-sharing is a relatively new development in the United States and is generally characterized in the literature as the newest of the various alternatives to the traditional workweek concept. Job-sharing has been implemented in the states of Maryland, Massachusetts, and California, and in the City of Palo Alto, California. In addition, various colleges and universities, both public and private, have implemented job-sharing as have various school districts. Various entities in the private sector have likewise implemented job-sharing.

As noted in Chapter 1 and elsewhere in the study report, firm data relating to fiscal considerations and closely allied statistical information concerning the extent of implementation, i.e., the number of positions being shared at the national level, were not readily accessible to the Bureau's researchers. According to one major source in the recent literature, "...[J]ob-sharing...is comparatively rare. Its use is only growing slowly and currently involves 1 to 2% of all jobs".

At the present time, job-sharing is not practiced in Hawaii at the state or county government levels. In Hawaii's private sector, however, certain entities within the construction trades industry have engaged in what has been referred to as "modified job-sharing".

Various individuals served as resource persons to the Bureau's research team during the course of the study period. Special acknowledgment is made of the help of Lois Tyler, Co-Chairman, Committee for Job-Sharing, Honolulu, Hawaii, for furnishing voluntarily many reference materials relating to job-sharing. Another individual deserving of special recognition is Helen Onoye, Administrator, Income Maintenance Services, Hawaii State Department of Social Services and Housing, for furnishing technical information and guidance on various income support programs administered by the Department. Other individuals who shared information relating to the study are acknowledged in Appendix C. To all these individuals, the Bureau extends its sincere appreciation.

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Job-sharing as a concept and practice is likely to continue to evoke discussion and controversy in the months and years ahead. There are valid arguments in support of the concept. Similarly, there are valid arguments against the concept. A synopsis of the key issues which have surfaced are reflected in Chapter 3. Assuming job-sharing opportunities continue to develop, important lessons yet to be learned, may become available to aid policy makers in decision-making on the subject.

This report is presented in three basic parts containing eight chapters. Part I contains an introduction to the study and background material. Part II examines the feasibility of job-sharing in Hawaii State Government and its several counties, and Part III contains the appendices. Chapter 8 contains a general summary of findings and conclusions relating to the issue of implementing job-sharing in Hawaii's public sector, and suggestions as to the directions which a follow-up study on the feasibility of job-sharing in Hawaii might pursue.

In summary, this report is an initial effort to identify the salient characteristics and issues undergirding the concepts and practices in job-sharing, and to furnish certain guidelines for performing the follow-up study on job-sharing as requested in House Resolution No. 406, H.D. 1, of the 1977 Regular Session.

Samuel B. K. Chang
Director

July, 1977

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PART I

INTRODUCTION AND BACKGROUND

CHAPTER I
INTRODUCTION

This is a report of an examination of selected issues and considerations relevant to the question of the feasibility of implementing job-sharing in state and county governments in Hawaii. It was conducted pursuant to growing legislative interest in the concept as evidenced in part by the introduction of several bills and the adoption of two resolutions requesting study on the subject of job-sharing. The resolutions adopted are Senate Resolution No. 335, S.D. 1 of 1976 and House Resolution No. 406, H.D. 1 of 1977, copies of which are contained in the Appendix.

OBJECTIVES OF THE STUDY

The primary objectives of the study are:

1. To provide an overview of the job-sharing concept and to highlight the salient issues which have emerged from the experiences of those organizations and jurisdictions which have implemented job-sharing or are currently permitting the practice.

2. To provide a study framework for determining the feasibility of implementing job-sharing in state and county governments in Hawaii.

3. To identify pertinent cost factors and allied fiscal considerations and to provide preliminary cost data relating to job-sharing.

SCOPE OF THE STUDY/STUDY APPROACH

The study is primarily concerned with and focuses upon the question of the feasibility of implementing job-sharing in state and county governments in Hawaii. The intent of the study, however, is not to render firm or definitive recommendations concerning the feasibility of job-sharing. Rather, the basic intent of the study is to provide some background information and preliminary data that can be utilized as a basis for determining feasibility.

STUDY METHODOLOGY

The preparation of the report encompassed approximately five technical person months of research activity, including report writing, covering a five-month period ending July 25, 1977. The principal data gathering activities consisted of the following:

1. Review of the literature including magazine and newspaper articles, selected case studies, and legislation and attendant documents introduced or enacted in the United States Congress and several states;

2. Review and examination of the *Hawaii Revised Statutes*, the Rules and Regulations of several departments of the executive branch of Hawaii state government, and collective bargaining agreements in effect as of January, 1977; and

3. Interviews and meetings with various persons in state and county governments and in the private sector. Public sector interviewees included those persons associated with the personnel services programs, public assistance programs, unemployment compensation programs, and other public employee fringe benefit programs.

DATA CONSTRAINTS

Given the relative newness of the concept and practice of job-sharing in the United States, technical documents and research materials useful for research and related analytical purposes, especially as they relate to the long-term fiscal implications of job-sharing, were not readily available during the course of the study period.

Several reference sources, however, were found to be helpful guides to the Bureau's researchers in developing the initial study framework and approach. Among these materials are the following publications: "JOB-SHARING IN MUNICIPAL GOVERNMENT: A CASE STUDY IN THE CITY OF PALO ALTO, by

Cheryl A. Stewart, Jeanne L. Kennedy, Christine M. Sierra, and Charles W. Gossett, ACTION RESEARCH LIAISON OFFICE, 205 Tresidder Memorial Union, Stanford, California 94305, June, 1975; "CONSTRUCTING AN EMPLOYEE BENEFIT PACKAGE FOR PART-TIME WORKERS", A Rationale For Arriving At An Equitable Benefit Package At No Extra Cost To The Employer", A CATALYST Position Paper, Copyright 1975 by Catalyst; "JOB-SHARING, QUESTIONS EMPLOYERS ASK ABOUT JOB-SHARING", New Ways To Work, 457 Kingsley Avenue, Palo Alto, California 94301; "STAFF BRIEF 76-7 PART-TIME AND FLEXIBLE-TIME EMPLOYMENT", Legislative Council Staff, July 16, 1976, State Capitol, Madison, Wisconsin; and "JOB-SHARING, FINAL REPORT OF A CETA FUNDED PILOT PROJECT", New Ways To Work, 457 Kingsley Avenue, Palo Alto, California 94301.

For the most part, the available literature consisted of brief articles, including several case studies, newspaper and magazine articles, and bills and allied legislative materials introduced in the Congress of the United States and in several states.

Personal interviews conducted with resource persons in the State and one mainland source revealed general awareness of the emerging concept and practice of job-sharing, although with the notable exception of several individuals, the majority of the interviewees were understandably unable to furnish comprehensive information on the subject. A common concern expressed by most

of the interviewees, however, was the long-range fiscal implications of the job-sharing program, as they relate to retirement and health care costs.

In summary, much of what appears in Part II of the study report which focuses upon the feasibility of implementing job-sharing in Hawaii was developed from internal research data generated by the Bureau's researchers.

ORGANIZATION OF THE STUDY REPORT

The report is presented in three parts.

Part I includes an introduction to the study, some background on the concept and practices associated with job-sharing, and discussion of the highlights of the experiences emerging from those organizations and jurisdictions which have implemented job-sharing, and key preliminary findings, and conclusions appearing in the literature.

Part II presents some preliminary data relating to the feasibility of implementing job-sharing in state and county government in Hawaii, including a suggested framework for follow-up research by the State Department of Personnel Services and all state departments, as requested in House Resolution No. 406, H.D. 1 of 1977.

Part III contains the various appendices.

CHAPTER 2

JOB-SHARING: AN OVERVIEW IN BRIEF

INTRODUCTION

With increasing frequency and prominence during the past decade, public attention has been called to a variety of innovations and experiments as alternatives to the traditional five-day, forty-hour workweek. Among the major alternatives are the concepts and practices associated with flexible work hours, the four-day workweek, staggered work hours, and more recently, "job-sharing". The impetus for these new work scheduling patterns has been attributed to such factors as changing life-styles and attitudes toward work and leisure, the emerging women's rights movement, and the widespread application of non-conventional work patterns in a number of Western European countries.

THE ANATOMY OF JOB-SHARING - THE CONCEPT AND THE APPLICATION

"Job-sharing", broadly speaking, can be defined as the sharing of one full-time job by two or more persons. The basic objective of job-sharing as articulated in the literature espouses the theme of one full-time permanent position being shared on a permanent part-time basis by two employees. Following are various definitions of job-sharing as advanced in the recent literature:

> Job-sharing "...a work pattern in which two or more people divide the responsibility, salary and fringe benefits of one full-time job."[1]

- Job-sharing "...another alternative work pattern... which involves two workers who share one full-time job;"[2]

- Job-sharing "...the division of a full-time position between two part-time employees;"[3]

- Job-sharing "...two employees share one full-time job with equal responsibility for the total job, each working only half time but together providing full-time coverage...also involves two employees dividing a single job, but, under this concept, each is responsible for only half the work-the time element does not enter,"[4]

- Job-sharing "...in its simplest form, the dividing of a full-time job between two people, each working half time. Each person receives half pay plus full benefits, pro-rated benefits, or a combination of both;"[5]

- Job-sharing "...a relatively new concept in all areas of employment. It is a form of flexibility, differing from traditional part-time work, whereby two people share responsibility for one full-time position. Each position then has a permanent, part-time job with salary and fringe benefits pro-rated according to hours worked;"[6]

- Shared-job "...one full-time position for which two or more people share responsibility. Each person then holds a permanent part-time job. Salary and fringe benefits are pro-rated according to hours worked;"[7] and,

- Shared-job "...a voluntary work arrangement in which two people both hold responsibility for what was formerly one full-time position. They divide salary, time, and fringe benefits."[8]

The literature describes several types or patterns of job-sharing. One variant is known as "job splitting" wherein two persons divide one job between them to provide full-time coverage.[9] Normally, under the job splitting pattern, each person is responsible for only half of the work. For example,

in a probation department, each of the two probation officers would be respectively responsible for only one-half of the total caseload.

Another variant is known as "job pairing". Job pairing differs from job-sharing to the extent that the two part-time employees are each held to be responsible for the whole job, not just for their individual halves."[10]

Generally under the job pairing variant, each of the sharers works half-time and together they provide responsibility for the total job. An example of job pairing would be a naturalist position where two employees work at different times to develop a display and program which they will jointly present at a city park.[11]

A third variant is called "split level".[12] Here the position is divided into two separate levels of training or ability. An example of split level sharing would be a position requiring both a high level of technical or professional skill on the one hand and routine clerical type skill on the other.

Thus, as can be seen from the preceding discussion, jobs can be shared by either the division of time or the division of tasks. For a job such as a receptionist position in which it is important that the total hours of work/service are

covered at all times, several options are possible. The sharers may split the time in a variety of ways including: half days, two and a half days each week, three days one week and two the next, one week on and one week off, etc. For jobs which are more task than time-oriented, two individuals can work at the same time, or if the task allows, essentially autonomously.

IMPLEMENTATION OF JOB-SHARING IN THE UNITED STATES

Recent years have witnessed apparent growing interest in the concept of job-sharing. This notion would appear to be supported, in part, by the expanding bibliography on the subject. Job-sharing has been implemented in the private sector and legislation authorizing job-sharing has been enacted at the state and municipal levels. In addition, several colleges and universities have implemented job-sharing by allowing the sharing of one full-time faculty appointment between two persons. Federal legislation has been introduced, but not enacted into law as of this writing.

The apparent growing interest in the job-sharing concept notwithstanding, firm statistics on the actual extent of job-sharing, i.e., the number of jobs/positions actually being shared, are not readily available. The lack of such statistical data can possibly be attributed to the fact that job-sharing, at the present time, lacks a universally accepted or utilized definition, and the term appears not to have been formally institutionalized or utilized by such major data

research and reporting agencies as the Bureau of Labor Statistics of the United States Department of Labor which is generally acknowledged as the governmental agency having access to the most comprehensive data base on employment statistics in the United States.

Two sources in the literature available to the Bureau's researchers address the question of the extent of job-sharing in the United States. One source excerpted from testimony submitted pursuant to Congressional Hearings on H.R. 6350, H.R. 9043, H.R. 3925, and S. 792, Ninety-Fourth Congress, September 29, 30, and October 7, 1975 reads in part as follows: "Job-sharing that is, two people handling one full-time job, is not very common."[13] Another source echoes a similar observation as follows: "By comparison with part-time work, the use of job-sharing--in which each full-time job is divided in two--is comparatively rare. Its use is only growing slowly and currently involves 1 to 2% of all jobs."[14] A representative of a non-public organization known as New Ways To Work headquartered in Palo Alto, California, has suggested that as of April, 1977, best estimates are that the total number of jobs actually being shared numbered several hundred in the United States. Refer to Exhibit 1 in the Appendix for a brief chronology of the development of job-sharing in the United States.

Implementation of Job-Sharing in the Private Sector. As noted earlier, firm data as to the extent of job-sharing in the United States do not appear readily accessible at the present time. The paucity of data is especially true concerning job-sharing activities in the private sector. Generally, the literature examined suggests that organizations both small, medium-sized, and large have tried or are now engaged in job-sharing programs. According to one source[15] the following non-public entities were engaged in job-sharing as of April 1976. The entities and positions so involved included: (A) THE SAN FRANCISCO BAY AREA: The Stanford Medical Center (Facilities Planning Engineer); YWCA, Stanford University (Program Director); A private physician (Receptionist); St. Theresa's Church, San Francisco, California (Secretary); Kaiser Hospital (Receptionist); American Micro Systems, Inc. (Typist); United Airlines (Supervisor, Inflight Service); Wells Fargo Bank (Bank Teller); Johnson Upholstery Company, Alameda County, California (Girl Friday); Attorney, Menlo Park, California (Legal Secretary); Gilroy Foods (Chemist); (B) UNITED STATES -- Outside the San Francisco Area: YWCA, Binghampton, New York (Executive Director); Metropolitan Life Insurance Company (one hundred fifty employees alternate weeks). Other general reference sources note that various private universities and colleges have been permitting job-sharing, especially in the area of split faculty appointments.

Implementation of Job-Sharing in the Public Sector. As of this writing, the Bureau has identified four general purpose governmental entities which have statutorily permitted job-sharing or experimentation. They are the State of Maryland, the State of Massachusetts, the State of California, and the City of Palo Alto, California. Various school districts, particularly those in the San Francisco area, have engaged in job-sharing. Finally, various publicly supported universities and colleges have implemented job-sharing.

The literature generally credits former United States Senator John V. Tunney and Representative Yvonne Brathwaite Burke of California as being among the principal recent sponsors of federal legislation on job-sharing in the federal service.[16] The Tunney and Burke bills first introduced in the United States Congress in 1973 have since been re-titled Career Part-Time Employment. Among the major bills introduced in the Congress relating to job-sharing include S. 2022 of the Ninety-Third Congress and H.R. 6350, H.R. 9043, H.R. 3925, and S. 792 of the Ninety-Fourth Congress. Among Senator Tunney's bills popularly referred to as the "Tunney Bill", at least one version reportedly passed the United States Senate but "died" upon referral to the United States House of Representatives. As of this writing federal legislation authorizing job-sharing has not yet been enacted.

AN OVERVIEW OF SELECTED STATE AND MUNICIPAL LEVEL LEGISLATION RELATING TO JOB-SHARING

The State of Maryland Law. The Maryland law mandating job-sharing became effective on July 1, 1973 upon the signing of Senate Bill 183 which added a new Section 37A to Article 64 A, Chapter 660 of the Laws of Maryland.[17] The enactment provided that "...the Secretary of Personnel shall promulgate rules and regulations concerning all aspects of annual leave, compensatory time, the keeping of time records, and the filling of any full-time positions by two or more part-time employees". (Emphasis added).[18] The amendment to Article 64A included all persons paid by the State with the following exceptions: (1) All judges; (2) All elected Officials; (3) Employees of the Office of Clerks of Courts and Registers of Wills; and (4) Community Colleges.[19] Various sources in the literature indicate that the State of Maryland is the first state to enact legislation in the area of job-sharing. Refer to Exhibit 2 which contains a "Report on Part-Time Employment in Maryland State Government", August, 1976.

The State of California Law. The California job-sharing bill, (i.e. S.B. 570), authored by State Senator Omer L. Rains, was signed into law effective January 1, 1977.[20] In summary, the California law added to Chapter 1 of Part 1 of Division 5 of Title 2 of the Government Code, Article 3 (commencing with Section 18030) which reads in part as follows: "Article 3.

Part-Time Employment: 18030. 'Part-time employment', as used in this article, means employment in positions which require not more than 32 hours of work per week, and includes arrangements involving job-sharing, four-, five-, or six-hour workdays, jobs which provide eight hours of employment or less for one, two, three, four, or five days per week, and such other arrangements which the State Personnel Board and the Department of Motor Vehicles find consistent with maximum employment opportunity to persons unable to work a standard workweek." (Emphasis added).[21]

The City of Palo Alto, California Experience. Review of the literature strongly suggests that the City of Palo Alto, California, has progressed farthest at the municipal level of government in implementing job-sharing. Following are selected excerpts from a case study performed in conjunction with the Action Research Liaison Office, Stanford University, June 1975,[22] as follows:

> "BENEFITS AND COSTS TO THE JOB-SHARER. A primary question an employer must face in forming a job-sharing program is why does a person want to share a job; that is, what are the advantages which will accrue to a job-sharer?..."
>
> "BENEFITS AND COSTS TO CO-WORKERS. Co-workers perceive both positive and negative effects of job-sharing for themselves. The most salient benefit is reflected in rising morale due to new flexibility in the scheduling of hours for all department employees. Co-workers in departments where jobs are currently being shared indicate an increase in morale directly attributable to better scheduling..."

"REFLECTIONS ON JOB-SHARING: SOME TENTATIVE CONCLUSIONS.
"...Both parties must sense benefits for themselves before they will enter into this particular arrangement.... Job-sharing can serve a very useful purpose as a technique for on-the-job training, particularly in cases where one employee is preparing to retire or knows of an impending departure well in advance.... Also essential to note is that certain conditions must be met if the implementation of a job-sharing program is to be successful. The need for positive, supportive supervisors cannot be over-emphasized.... The question of promotion for sharers will have to be faced...unions and full-time employees will resist having seniority minimized.... Job-sharing is not for everyone. Some employees, notably heads of households, out of necessity require full-time employment and the accompanying salaries.... The decision to become a job-sharer must be made voluntary for optimal satisfaction and performance.... Another long-term consequence of job-sharing is that it could conceivably become a solution to the problem of unemployment. We would argue, however, that for this to happen one of two conditions must first be met. Assuming that the full-time work ethic is not totally ingrained in the American labor force, for individuals to see a shared job as an alternative to unemployment, at least one of the following conditions must exist: (1) the income to be received must exceed that which is derived from unemployment compensation or other public assistance benefits; (2) the type of work to be performed in the shared position must prove interesting and attractive to the prospective worker if it is to lure that worker out of unemployment.... To conclude, we see job-sharing as a worthwhile program to implement. While recognizing its limitations, we find many positive reasons for job-sharing. We hope and expect to see the expansion of shared work patterns in the public sector."

SUMMARY

Job-sharing, as the concept and practice has come to be known in the United States, is one of the emerging alternative approaches to the traditional five-day, forty-hour workweek. It is generally regarded as the newest of the various recent alternative approaches to the traditional workweek concept.

The Chapter has discussed the various definitions of job-sharing advanced in the literature, including selected examples of the several types or patterns of job-sharing noted in the literature. In general, job-sharing espouses two basic ideas: (1) the sharing of a permanent full-time position by two or more persons, and (2) that the combined hours of work of the employees sharing the position do not exceed forty hours or the maximum hours allocated to the position, as the case may be.

Job-sharing has been implemented in several states, including one major municipality, and in the private sector. Firm statistics on the actual extent of job-sharing in terms of the actual number of positions being shared in the United States at the present time are not readily available. Several sources indicate that implementation is limited at the present time with possibly no more than one to two per cent of the national work force so engaged.

Chapter 3 will attempt to identify and review the issues in job-sharing, including certain findings and conclusions.

FOOTNOTES

CHAPTER 2

1. Sylvia Porter, "Flexible Work Schedules Undergoing Test Programs", Sunday Star Bulletin/Advertiser, June 13, 1976.

2. "For More and More Workers An End to the 9-to-5 Day", U.S. News & World Report, April 4, 1977, p. 81

3. Robert I. Lazer, "Job-Sharing as a Pattern for Permanent Part-Time Work," The Conference Board Record, October, 1975, p. 57.

4. Felice N. Schwartz, "New Work Patterns - For Better Use of Womenpower," Management Review, May, 1974, pp. 9-10.

5. "Job-Sharing" (Committee for Job-Sharing, October 22, 1976), p. 1.

6. New Ways to Work, Job-Sharing in the Schools, A Study of Nine Bay Area Districts, A Preliminary Report (Palo Alto, Calif.: 1976), p. 7.

7. "Shared Jobs, A Pilot Project of New Ways to Work", (Job-Sharing, Palo Alto, Calif.).

8. Alice Cunningham, "Job-Sharing Project of New Ways to Work," Testimony to Subcommittee on Employment, Poverty and Migratory Labor, April 8, 1976.

9. Cheryl A. Stewart and others, Job-Sharing in Municipal Government: A Case Study in the City of Palo Alto (Stanford: Action Research Liaison Office, Stanford University, 1975), p. 1.

10. Lazer, p. 57.

11. Stewart, p. 1.

12. Ibid.

13. U.S. Congress, House of Representatives, Subcommittee on Manpower and Civil Service of the Committee on Post Office and Civil Service, Hearings on H.R. 6530, H.R. 9043, H.R. 3925, S. 792, 94th Congress; 1st Session; 1975, p. 90.

14. David Robison, Alternative Work Patterns, Changing Approaches to Work Scheduling, Report on a Conference (New York: Work in America, Inc., 1976), p. 18.

15 New Ways to Work, Questions Employers Ask About Job-Sharing (Palo Alto, Calif.: 1976).

16. Ibid.

17. Memorandum from State of Maryland, Department of Personnel, July 9, 1973 to Secretaries of all State Departments and Heads of other State Agencies, pp. 1-2.

18 Ibid.

19. Ibid.

20. Letter from Omer L. Rains, Senator, California Legislature, February 17, 1977.

21. Deering's Calif. Govt. Code, sec. 18030.

22. Stewart.

CHAPTER 3

THE ISSUES IN JOB-SHARING: SOME FINDINGS AND CONCLUSIONS

As noted in Chapter 1 and elsewhere in this report, a major constraint experienced by the Bureau's researchers was the lack of readily available firm data relating to the cost/fiscal aspects of job-sharing. The lack of data was found to be particularly true with respect to fringe benefit type costs and the long-range costs relating to retirement and pension system, health care, and the so-called contingent, costs. The paucity of data is based on the fact that job-sharing is still in its infancy. Thus, data of the type needed to provide policy makers with technical information necessary for decision making are understandably not readily available. Given the data constraints, arguments for and against the concept of job-sharing in the public sector have been advanced. For the most part, the literature available to the Bureau's researchers were advocacy oriented, although, this is not to imply that the representations were lacking in impartiality.

The following is a synopsis of the principal arguments advanced in support of the concept and arguments against, or questioning the need for such a practice as job-sharing.

ARGUMENTS SUPPORTING THE JOB-SHARING CONCEPT

The consensus of the literature favoring the implementation or expansion of job-sharing opportunities cites the following reasons:

- There are people who are not now employed who would like to work but are unable or unwilling to work full-time. Generally persons falling in this category are (1) people with family responsibilities who prefer not to work full-time while there are young children in the household; (2) students whose school schedules preclude the taking of a full-time job; and (3) persons with physical handicaps who can only work for periods shorter than the normal thirty-five or forty-hour workweek;

- There are people currently employed full-time who want to work shorter hours in order to have more time for leisure activities or to pursue other interests, and there are people nearing retirement who would like to ease into active retirement by working a shorter workweek;

- There are people currently laid off or about to be laid off for whom job-sharing may be an alternative to total unemployment;

- Certain documented case studies point to the highly increased production efficiency and morale under job-sharing; and

- Employer costs can be fully controlled by pro-rating salary and fringe benefits between the job-sharers.

ARGUMENTS AGAINST THE JOB-SHARING CONCEPT

- In general, the arguments against the job-sharing concept are related to fiscal considerations. Opponents generally concede that while the key direct employer cost items, such as payroll and the minimum mandatory fringe benefit costs, can be contained within acceptable limits, other costs, including those related to the probable need for

additional supervisory and management controls, equipment, office space, and the long-range costs, e.g. pension and retirement, health care, and other contingent costs render the concept unacceptable or infeasible from the fiscal point of view;

- Part-time jobs, including permanent part-time positions, are available in sufficient number in many public and private organizations so as to preclude the need for job-sharing, a type of part-time employment;

- Many jobs, especially those at the professional and high administrative levels, do not lend themselves to job-sharing;

- Jobs at the unskilled or sub-professional levels which may be prime candidates for job-sharing opportunities because the nature of the work is on a piece basis, present a basic dilemma -- those who seemingly can least afford to job-share from the point of view of income requirements appear to be in those job categories seemingly best suited for job-sharing purposes; and

- Development of serious morale problems stemming from certain job-sharing situations, for example, where sharing is occurring on the basis of one person working twenty one hours and the other nineteen hours on a forty-hour workweek standard, with the former receiving nearly all fringe benefits and the latter receiving few, if any, fringe benefits.

SUMMARY

Job-sharing, as a concept and practice, may be too new to enable the drawing of firm conclusions as to its true merits or detriments. Obviously, there are many lessons yet to be learned assuming job-sharing practices continue to be available, and such lessons thus appear to lie in the years ahead. Job-sharing is likely to evoke continued interest and controversy in the months and years ahead and may possibly be destined to join the ranks of established American traditions.

PART II

THE FEASIBILITY OF JOB-SHARING IN HAWAII: SOME PRELIMINARY DATA

INTRODUCTION

As noted in earlier chapters of this report, the concept of job-sharing has gained increased attention at the national level. Contact by the Bureau's researchers with various resource persons in Hawaii has indicated an awareness of job-sharing as an emerging concept and practice on the mainland, on the part of the majority of the resource persons consulted by the Bureau. While job-sharing is not presently practiced in state or county government in Hawaii, several entities in the private sector have engaged in what can be described as "modified job-sharing". Among the persons identified as being currently involved in "modified job-sharing" are employees in the various construction industry trades including electricians, iron workers, roofers, and plumbers. The recent downturn in the general construction and building trades industry has been cited as the principal reason for the "modified job-sharing" practice.

Of the various resource persons consulted by the Bureau's researchers, two persons have prepared written comments on the subject of job-sharing in Hawaii's public sector. These written commentaries are contained in the Appendix and shown as Exhibits 3 and 4, in Part III of this report.

In recent years, the job-sharing concept has received the increased attention of State legislators and other

government officials in Hawaii. Job-sharing is being viewed by these public officials as a possible means to reduce the high rate of current unemployment, and to provide an employment alternative to public employees who may be interested in sharing their positions. The adoption of Senate Resolution No. 335, S.D. 1 of 1976 and the adoption of House Resolution No. 406, H.D. 1 of 1977 attest to the interest and concern of the State's elected officials in the job-sharing concept. In addition, the Speaker of the House of Representatives stated in his opening day address of the 1977 Regular Session that job-sharing should be "...analyzed and given serious consideration..." as a possible means of creating more jobs. Subsequent to the Speaker's address, the House of Representatives adopted the aforementioned House Resolution which requests "...[T]he State Department of Personnel Services, with the assistance of all state departments to conduct a feasibility study on the concept of job-sharing...." (Emphasis added).

As a part of a related study, the Legislative Reference Bureau has compiled some basic information on job-sharing as it applies to public employment. In subsequent Chapters of Part II, the Bureau presents the following:

(1) A suggested framework to determine the feasibility of implementing job-sharing in the public sector (Chapter 4).

(2) Some basic information relating to the statutorily prescribed fringe benefits currently being provided to public employees (Chapter 5).

(3) An illustrative analysis of the cost impact of implementing job-sharing under several hypothetical job-sharing models (Chapter 6).

(4) An illustrative analysis depicting the cost impact of implementing job-sharing under several hypothetical job-sharing models when the secondary employee (i.e., the non-public employee) is a former public assistance or unemployment insurance benefit recipient (Chapter 7).

(5) Summary and Conclusions of Part II (Chapter 8).

CHAPTER 4

A STUDY FRAMEWORK FOR DETERMINING THE FEASIBILITY OF IMPLEMENTING JOB-SHARING IN HAWAII

INTRODUCTION

As part of the Bureau's preliminary inquiry on job-sharing, a study framework to determine the feasibility of implementing the concept in public employment was developed. In formulating the framework, three major phases were identified and developed. The three phases include: (1) basic data gathering, (2) calculations and analysis, and (3) identifying and utilizing the criteria to determine feasibility.

In the following sections the three phases are delineated in detail.

PHASE 1. BASIC DATA GATHERING

The first phase is the basic data gathering phase in which the information and data needed to conduct the analysis required to determine the feasibility of implementing job-sharing in public employment are collected. It is envisioned that the following research tools are needed to capture the required information:

- Review of documents such as statutes, departmental rules and regulations, and collective bargaining agreements;

- Interviews with department and agency administrators and employee organization representatives; and

- Surveys of public employees and potential job-sharing personnel not currently associated with public employment.

The following are some of the basic information to be gathered:

(1) Identify what constitutes full-time and less than full-time employment for the various public employee categories - Various employee categories such as firefighters and school teachers do not work the typical forty-hour week but are nonetheless considered full-time employees. Identify the various public employee categories and determine what the minimum requirements are to be considered full-time employees.

(2) Identify the various employment options that are available to the State and the conditions applicable to each option - In recent years, some jurisdictions have hired personnel on limited employment and contractual bases. Identify other options and the working conditions applicable to each option.

(3) Identify the provisions of statutes, departmental rules and regulations, and collective bargaining agreements which affect the public employees, by employment categories identified above.

(4) Identify the types of job-related fringe benefits associated with full-time and less than full-time employment by employment categories identified above.

- Identify the minimum eligibility requirements for each benefit; and

- Determine which benefit expenses are fixed and which benefit expenses are variable. Certain fixed benefit expenses such as vacation/sick leave and retirement contributions are direct cost items. Other benefit expenses such as military and jury/witness leave are variable and are contingent on certain events which may or may not occur.

(5) Identify the types of job positions that are amenable to less than full-time employment.

- Determine the common characteristics, if any, of a job which may be conducive to job-sharing as it relates to full-time and less than full-time employment. For example, are the job positions high paying or low paying, routine or administrative, or ministerial or discretionary.

(6) Identify the public employees who are interested in sharing their jobs.

- Determine the categories of public employees interested in sharing their jobs;
- Identify the conditions under which the employees are willing to share their jobs. For example, what salary, fringe benefits, and working hours would the job-sharer expect or accept; and
- Determine the minimum requirements (e.g. skills, training, experience) needed for the job position.

(7) Identify the supply of personnel not currently associated with public employment willing to accept less than full-time employment.

- Identify the sources of these prospective employees. For example, are the prospective employees presently receiving public assistance, receiving unemployment insurance benefits, housewives, recent graduates, or persons employed who desire a change in employment;
- Determine the kinds of part-time jobs desired;
- Identify the conditions under which the prospective employees would accept a job-sharing position. For example, what salary, job-related fringe benefits, and work schedule would the prospective job-sharer request; and
- Determine the types of skills and training possessed by the prospective employee.

PHASE 2. CALCULATIONS AND ANALYSIS

Phase 2 consists of utilizing and analyzing the basic information obtained in Phase 1. Some of the basic information to be generated in this Phase include the following:

(1) Determining whether the positions occupied by present employees willing to share their positions are the types of jobs amenable to job-sharing.

(2) Determining the adequacy of the supply of prospective employees willing to accept less than full-time employment - For example, will there be a problem of matching the particular skills required by an employer with the skills of the available prospective employees.

(3) Identifying any legal and institutional forces (e.g., statutes, departmental rules and regulations, collective bargaining agreements, employee organizations) that may directly or indirectly affect the implementation of job-sharing.

- Determining what changes or amendments, if any, would be required to implement job-sharing.

(4) Identifying the ramifications/impact, if any, of introducing less than full-time employment.

- Determining the expected advantages and disadvantages to the employers. For example, job-sharing may result in higher morale and increased productivity for certain employment groups. Conversely, there may be increased scheduling problems, span of control problems or other related administrative problems;

- Determining the expected advantages and disadvantages to the employees sharing a job. For example, advantages may include flexibility and new opportunities for the job-sharing employees. Conversely, job-sharing may result in reduced pay, reduced fringe benefits, and loss of promotional opportunities;

- Identifying any special problems that may be encountered if less than full-time work is introduced. For example, what effect will there be on government operations and the provision of public services; and

- Determining the expected effects of job-sharing on the public assistance and unemployment rates.

(5) Calculating the cost to the employer of the current public employees expressing interest in sharing their position - Some of the factors to determine the cost should include salary, state tax liability/credit as applicable, job-related fringe benefits, and other administrative and overhead costs.

Calculating the current cost to the state/county governments, if any, of the prospective employees indicating interest in accepting a job-sharing position - For example, a prospective employee currently receiving public assistance or unemployment insurance benefits may represent current cost to the State. The cost to the state/county for providing these benefits should be determined. (See Chapter 7 for illustrative calculations)

(6) Formulating alternative job-sharing models, based upon the interest indicated by both the currently employed public employees and the prospective job-sharers and the conditions by which the two categories of employees would share/accept the position. (See Chapter 6 for illustrative models)

(7) Determining the cost impact, based upon the formulated job-sharing models identified above. (See Chapters 6 and 7 for sample calculations)

PHASE 3. IDENTIFYING AND UTILIZING THE CRITERIA TO DETERMINE FEASIBILITY

Formulating and utilizing criteria to determine the feasibility of implementing job-sharing constitute the final phase of the study framework. Based on a preliminary review of job-sharing, the Bureau has tentatively identified four basic criteria. The identified criteria are as follows:

(1) *Cost* - Can the state/county governments afford to implement job-sharing?

(2) *Efficiency and Effectiveness* - Would the implementation of job-sharing in the public sector increase efficiency and effectiveness or adversely affect the operations and provision of government services?

(3) *Interest* - Are incumbent public employees and prospective public employees interested in job-sharing? Are the types of jobs incumbent public employees are willing to share, the types of jobs the prospective public employees are interested in?

(4) *Meeting a Major Program Objective* - Will the implementation of job-sharing reduce the rate of unemployment or the number of persons on public assistance?

CHAPTER 5
FRINGE BENEFITS FOR HAWAII PUBLIC EMPLOYEES

INTRODUCTION

Fringe benefits are those benefits which are offered to employees in addition to the basic earned salary. While there are wide and extensive variations of fringe benefits provided to employees, the various benefits can generally be categorized in two distinct groupings. The first grouping provides payments for time not worked and includes such benefits as vacation and sick leave. The second grouping provides employee security and protection against various contingent events and includes benefits such as the retirement and the health care plans. It should be noted that while all benefits represent a cost to the employer, some of the benefits such as vacation leave and the medical plan incur direct and ongoing costs while others such as jury duty leave and military leave are variable costs which are contingent on events which may or may not occur.

Fringe benefits represent a substantial portion of the total public employers' cost. The cost of providing many of the fringe benefits are dependent upon the basic salary and the length of service of the employee. Currently, fringe benefit costs amount to approximately forty per cent of the salary paid to the public employee.

AN OVERVIEW OF FRINGE BENEFITS CURRENTLY PROVIDED TO PUBLIC EMPLOYEES

In Hawaii, the basic fringe benefits provided to public employees are prescribed in the *Hawaii Revised Statutes* and further detailed in the Hawaii State Department of Personnel Services Rules and Regulations and in the respective collective bargaining agreements. TABLE 5.1 presents the various public employee benefits. Also presented in the Table is the establishing authority for each benefit; the employer's cost for each benefit; the minimum eligibility requirements; exclusions; and other pertinent information relating to the various benefits.

As the data in TABLE 5.1 indicate there is no common eligibility standard applicable for the various benefits and the eligibility requirements (i.e., minimum hours of employment and months of employment) vary for the different benefits. For example, some employee benefits such as funeral leave, jury/witness leave, and military leave are offered from the first day of state/county employment, while other benefits such as maternity leave and sabbatical leave require an extensive employment period (1,824 and 12,768 hours, respectively) for the employee to qualify. It should be noted, however, that with the exception of the aforementioned maternity and sabbatical leaves, employees working for more than twenty hours a week and for a period longer than six months will qualify for most of the principal benefits offered by the state/county governments.

TABLE 5.1

AN OVERVIEW OF PUBLIC EMPLOYEE BENEFITS

(STATE OF HAWAII AND COUNTY GOVERNMENTS)

I. EMPLOYEE BENEFITS	II. ESTABLISHING AUTHORITY	III. EMPLOYER COSTS	IV. ELIGIBILITY REQUIREMENTS IVa	IVb	V. EXCLUSIONS	VI. OTHER INFORMATION
VACATION LEAVE (1.75 days per month earned. A month equaling not less than 19 days.)	Sec. 79-1, HRS	Leave with pay	152 hours	All officers and employees of the State and full-time elected and appointive officers and employees.	(1) Positions of a temporary nature needed in the public interest where the need for the same does not exceed one year, but before any person may be employed to render such temporary service the director shall certify that the service is of a temporary nature and that recruitment through normal civil service recruitment procedures is not practicable;	Per current collective bargaining contracts Units #5 and #6. Have Christmas vacation, spring vacation, and summer vacation. Firemen earn 2.5 days per month worked (month = not less than 19 days).
(0.5 days to 1.75 days per month for part-time employees earned on a prorated basis)	Personnel Rules and Regulations, State of Hawaii.	Leave with pay	32 hours	Regular part-time, intermittent part-time, and casual per diem full-time employees.	(2) Positions filled by persons employed by contract where the director of personnel services has certified that the service is special or unique, is essential to the public interest and that, because of circumstances surrounding its fulfillment, personnel to perform such service cannot be obtained through normal civil service recruitment procedures; (3) Positions filled by persons employed on a fee, contract, or piecework basis who may lawfully perform their duties concurrently with their private business or profession or other private employment and whose duties require only a portion of their time, if it is impracticable to ascertain or anticipate the portion of time to be devoted to the service of the State; (4) School teachers, principals, and cafeteria managers of public schools; (5) University of Hawaii instructional staff; (6) Firemen.	
SICK LEAVE (1.75 days per month earned. A month equaling not less than 19 days.)	Sec. 79-8, HRS	Leave with pay	152 hours	All officers and employees in service of the State and counties.	(1) Teachers, educational officers, and cafeteria managers of public schools; (2) University of Hawaii instructional staff.	Per current collective bargaining contract with Units #5 and #6, 18 days of sick leave per year are earned.
(0.5 to 1.75 days per month for part-time employees earned on a prorated basis)	Personnel Rules and Regulations, State of Hawaii.	Leave with pay	32 hours	Regular part-time, intermittent part-time, and casual per diem full-time employees.		

TABLE 5.1
(CONTINUED)

I. EMPLOYEE BENEFITS	II. ESTABLISHING AUTHORITY	III. EMPLOYER COSTS	IVa	IV. ELIGIBILITY REQUIREMENTS IVb	V. EXCLUSIONS	VI. OTHER INFORMATION
SABBATICAL LEAVE (Not to exceed one year)	Sec. 76-33, HRS	Leave with pay	12,768 hours	Any employee who has been employed by the State/county for more than 7 consecutive years.		Employed substitute paid minimum wage. Person on leave will receive the difference between the minimum compensation and that of his actual compensation.
FUNERAL LEAVE (3 days)	Sec. 79-13, HRS	Leave with pay	-0-	All officers or employees of the State and counties.		Immediate family only.
JURY DUTY OR COURT WITNESS LEAVE	Sec. 79-14, HRS	Leave with pay	-0-	All officers or employees of the State and counties.		
EDUCATIONAL LEAVE (Not to exceed one year)	Sec. 76-32, HRS			Regular employee who has been appointed to a position in the civil service in accordance with chapter 76, HRS, and who has successfully completed his initial probationary period.		Collective Bargaining Units — Benefit #5 — 3 days with pay. #6 & #8 — After 6 years of service, leave will be granted up to 6 months at 100% compensation or up to 12 months at 50% compensation. #7 — After 5 years of service, "study leave" will be granted up to 3 months at 100% compensation or up to 6 months at 50% compensation.
MILITARY LEAVE (15 days per calendar year)	Sec. 79-20, HRS	Leave with pay	-0-	All officers and employees of the State and counties.		
MATERNITY LEAVE (Not to exceed one year)	Personnel Rules and Regulations, State of Hawaii. (Reg. VI)		1,824 hours	At least twelve months employment.		May use accumulated sick leave.
MEDICAL PLAN	Sec. 87-4, HRS & Rules and Regulations of the Public Employee Health Fund, State of Hawaii.	$10.00 for respective employee-beneficiary; and $30.00 for employee-beneficiary with dependents.	480 hours	"Employee-beneficiary" means an employee, the beneficiary of an employee who is killed in the performance of his duty, an employee who retired prior to the establishment of the fund, or the beneficiary of a retired member of the	(1) A designated beneficiary of a retired member of the employees retirement system, the county pension system or the police, firemen, or bandsmen pension system of the State or county.	

TABLE 5.1
(CONTINUED)

I. EMPLOYEE BENEFITS	II. ESTABLISHING AUTHORITY	III. EMPLOYER COSTS	IVa	IV. ELIGIBILITY REQUIREMENTS IVb	V. EXCLUSIONS	VI. OTHER INFORMATION
				employees retirement system, a county pension system, or a police, firemen, and bandsmen pension system of the State or county, upon the death of the retired member and, which beneficiary, if a child, does not marry, or if a surviving spouse, does not remarry; provided that for the purposes of this subsection, "family member" means the decreased retired member's or employee's spouse and unmarried child under the age of nineteen years (including a legally adopted child and a stepchild or recognized natural child who lives with the deceased retired member or employee in a regular parent-child relationships), or unmarried child regardless of age who is incapable of self-support because of a mental or physical incapacity which existed prior to his reaching the age of nineteen years; and provided further that the employee, his beneficiary, or the beneficiary of the deceased retired member is deemed eligible by the board to receive health or dental services of a health benefits plan; "Dependent-beneficiary" means an employee-beneficiary's spouse and any unmarried child, including an adopted child, stepchild, foster child, or recognized natural child who lives with the employee-beneficiary deemed eligible by the board, receive health or dental services of a health benefits plan; "Employee" means an employee or officer of the state or county government, (A) Including: (i) A regularly employed member of the faculty of the University of Hawaii, including a research worker, an extension agent, or a person engaged in instructional or administrative work of the university;	(ii) A person employed temporarily on a fee or contract basis; (iii) A person hired on a part-time, limited-term, or provisional basis; (iv) A member of a board, commission, or agency appointed by the governor, or mayor, or chairman of the State or county, respectively; and (v) An employee of the legislature other than a member of the permanent staff.	

TABLE 5.1
(CONTINUED)

I. EMPLOYEE BENEFITS	II. ESTABLISHING AUTHORITY	III. EMPLOYER COSTS	IVa	IV. ELIGIBILITY REQUIREMENTS IVb	V. EXCLUSIONS	VI. OTHER INFORMATION
				(ii) A regularly employed administrative officer, principal, vice-principal, teacher, special teacher, cafeteria manager, or cafeteria worker of the public schools; (iii) An apprentice or on-the-job trainee whether or not supported by any federal grant; (iv) An elective officer including a member of the legislature during his term of office, or a person who has served as a member of the legislature for at least a total of ten years; (v) A probationary employee; (vi) A per diem employee; (vii) An officer or employee under an authorized leave of absence; (viii) An employee of the Hawaii national guard although paid from federal funds; (ix) A retired member of the employees retirement system, the county pension system or the police, firemen, or handsmen pension system of the State or county. Minimum requirements: (1) At least 20 hours per week; and (2) At least 6 months of employment.		
DENTAL PLAN	Sec. 87-4, HRS	$3.26 per child per month under age 19.	240 hours.	Same as medical plan.	Same as medical plan.	

TABLE 5.1
(CONTINUED)

I. EMPLOYEE BENEFITS	II. ESTABLISHING AUTHORITY	III. EMPLOYER COSTS	IVa	IV. ELIGIBILITY REQUIREMENTS IVb	V. EXCLUSIONS	VI. OTHER INFORMATION
GROUP LIFE INSURANCE PLAN	Sec. 87-4 and 87-23, HRS	$2.25 monthly premiums per employee.		"Employee" means an employee or officer of the state or county government, (A) Including: (i) A regularly employed member of the faculty of the University of Hawaii, including a research worker, an extension agent, or a person engaged in instructional or administrative work of the university; (ii) A regularly employed administrative officer, principal, vice-principal, teacher, special teacher, cafeteria manager, or cafetoria workor of the public schools; (iii) An apprentice or on-the-job trainee whether or not supported by any federal grant; (iv) An elective officer including a member of the legislature during his term of office, or a person who has served as a member of the legislature for at least a total of ten years; (v) A probationary employee; (vi) A per diem employee; (vii) An officer or employee under an authorized leave of absence; (viii) An employee of the Hawaii national guard although paid from federal funds; (ix) A retired member of the employees retirement system, the county pension system or the police, fireman, or handsman pension system of the State or county.		

TABLE 5.1
(CONTINUED)

I. EMPLOYEE BENEFITS	II. ESTABLISHING AUTHORITY	III. EMPLOYER COSTS	IVa	IV. ELIGIBILITY REQUIREMENTS IVb	V. EXCLUSIONS	VI. OTHER INFORMATION
				Minimum requirements: (1) At least 20 hours per week; and (2) At least 6 months of employment.		
RETIREMENT SYSTEM	Sec. 88-43, HRS, and Rule 61.1 of the Employees' Retirement System of the State of Hawaii.	Retirement: 13.05% per employee's salary (varies according to actuarial computations). Post-Retirement: 2.5% per employee's salary.	240 hours	"Employee": any employee or officer of State or any county, including inspectors, principals, teachers, and special teachers, regularly employed in the public schools, cafeteria managers and cafeteria workers, apprentices and on-the-job trainees whether or not supported in whole or in part by any federal grants, members of the legislature and other elected officers, legislative employees who are employed on a full-time basis during and between sessions, probationary and provisional employees, per diem employees and others who are made eligible by reason of their employment to membership in the system by or pursuant to any other provision of law, but excluding: (1) Per diem employees who elect to withdraw are not to become members as provided in section 88-42, HRS; (2) Members of the legislature who do not elect to be members as provided in section 88-42, HRS; (3) Persons excluded by rules of the board pursuant to section 88-43, HRS. An individual is an employee during the period of a leave of absence if he is in service, as defined in this part, during the period of the leave of absence and the board shall determine who are employees within the meaning of this part. Minimum requirements: (1) At least 20 hours per week; and (2) At least 3 months of employment.	(1) Firemen; (2) Policemen; (3) Corrections officers; (4) Persons employed by the legislature or any committee thereof; except that legislature employees on a full-time basis during and between sessions and any member of the system on leave of absence to be employed by the legislature during the legislative session shall be included in the membership of the system as provided in sections 88-21 and 88-54, HRS; (5) Persons employed on short-term or temporary appointments of three months or less; (6) Persons employed as substitute teachers; (7) Persons employed in part-time positions in adult education and evening class programs; (8) Persons in any position requiring less than one-half of full-time employment including, but not limited to, lecturers teaching less than 7 credit hours per semester at baccalaureate colleges of the University of Hawaii and lecturers teaching less than 8 credit hours per semester in the community colleges of the University of Hawaii; (9) Graduate assistants of the University of Hawaii; and (10) Persons employed in any position where employment is casual or intermittent and the percentage of full-time equivalence is indeterminate; provided that after at least three months, any person whose employment has been determined to average 20 or more hours per week shall be included in the membership of the system.	Retirement of a member on a service retirement allowance shall be made by the board of trustees as follows: (1) Any member who has at least five years of credited service and who has attained age fifty-five or any member who has at least twenty-five years of credited service or any member who has at least ten years of creditad service, including service as a judge, an elective officer, or the chief clerk and the sergeant at arms of both houses of the legislature, may retire upon his written application to the board specifying on what date, not less than thirty days nor more than ninety days subsequent to the execution and filing thereof, he desires to be retired; (2) Any member who has at least five years of creditad service and who attains the age of seventy years shall be retired on the first day of the calendar month next succeeding that in which he attains such age; provided a member of the legislature may continue or be restored to active membership in the system after the age of seventy years during the period such member is serving in his elective capacity; (3) Any member of the legislature who attains age sixty-five may retire and receive a service retirement allowance although he continues to fill his elective position; (4) For the purpose of computing or determining benefits for an elective officer or judge, or any beneficiary of either, the date upon which he elected to retire, as provided by section 88-61(c), HRS,

TABLE 5.1
(CONTINUED)

I. EMPLOYEE BENEFITS	II. ESTABLISHING AUTHORITY	III. EMPLOYER COSTS	IVa	IV. ELIGIBILITY REQUIREMENTS IVb	V. EXCLUSIONS	VI. OTHER INFORMATION
						after attaining an allowance of 75 per cent of his average final compensation shall be used as the effective date of retirement; provided that the elective officer or judge may continue in active service, but he shall not receive a retirement allowance until he leaves active service; however, upon his leaving active service, he shall receive the retirement allowance provided for in section 88-74, HRS, together with the post retirement allowances provided for in section 88-90, HRS, which post retirement allowances shall be computed from the date of the election as though he had left active service on that day. Firemen and policemen do not belong to the social security system. Correction officers will be affected as soon as all county jails are administratively transferred to state jurisdiction.
WORKER' COMPENSATION	Chapter 386, HRS	Cash payment for compensable injury.		Anyone working for the State/county. (Section 386-1, HRS)		State reimburses the fund dollar for dollar for compensable injury payments.
UNEMPLOYMENT INSURANCE	Chapter 383, HRS	Cash payment for valid claims.		During the base period, has earned credits of at least 14 or more weeks of employment as defined in section 383-1(19), HRS, and has been paid wages for insured work during the base period in an amount equal to at least 30 times the weekly benefit amount as determined under section 383-22(b), HRS.	See section 383-7, HRS.	State reimburses the fund dollar for dollar for valid claims payments.
SOCIAL SECURITY INSURANCE (FICA)	Federal Social Security Act	State matches 5.85% of the employee's salary up to the current $16,500 annual salary base. (1976)		A member of the state retirement system. Minimum requirements: (1) At least 20 hours per week; and (2) At least 3 months of employment.	(1) Firemen (Collective Bargaining Unit #11); (2) Policemen (Collective Bargaining Unit #12); (3) Person who elected not to join the system.	

CHAPTER 6
HYPOTHETICAL JOB-SHARING MODELS: AN ILLUSTRATIVE COST ANALYSIS

INTRODUCTION

The cost of implementing job-sharing is one of the principal factors in determining the feasibility of implementing job-sharing. Fiscal information relating to job-sharing however, is not readily available. While the cost of part-time employment has been generally discussed in several reports, in-depth cost analyses on the fiscal impact of implementing job-sharing has apparently not been conducted. In the absence of such fiscal information, the Bureau initiated a study to generate some impact data relating to the implementation of job-sharing in Hawaii. Because no job-sharing experience data relating to Hawaii's public employees were available, hypothetical models had to be developed to serve as a basis for the cost analysis.

In subsequent sections of this Chapter, the Bureau will present a description of the hypothetical job-sharing models and some illustrative cost data based on these models.

DESCRIPTION OF THE HYPOTHETICAL JOB-SHARING MODELS

For the purpose of the analysis, two basic hypothetical job-sharing master models were examined; one master model depicts an employee with no dependents and the other master model depicts

an employee with a spouse and two minor children as dependents. For each master model, three basic variations, with Models II and III containing sub-models, were developed as follows:

MODEL I: Model I is the "standard model which assumes one person working on a full-time basis which in most cases is a forty-hour workweek.

MODEL II: Model II consists of two job-sharing sub-models depicting two different employee compensation levels as follows:

The first sub-model involves two persons sharing a job (an incumbent and a secondary person) each working twenty hours a week or half-time, and compensated accordingly at the same basic salary level. Both the incumbent and the secondary person are entitled to benefits commensurate with the hours worked and the salary earned as provided by existing statutes, departmental rules and regulations, and current collective bargaining unit agreements. This model will be referred to hereafter as the "20/20 Same Salary Model".

The second sub-model is identical to the first sub-model except that the secondary employee sharing a job receives a lower entry level salary. This model will be referred to hereafter as the "20/20 Lower Salary Model".

MODEL III: Model III also consists of two sub-models depicting two different employee compensation levels as follows:

The first sub-model involves two persons, an incumbent and a secondary person working twenty one hours and nineteen hours a week respectively, and compensated at the same salary rate. Both the incumbent and the secondary person are entitled to benefits commensurate with hours worked and the salary earned as provided by the existing statutes, departmental rules and regulations, and the current collective bargaining unit agreements. This model will be referred to hereafter as the "21/19 Same Salary Model".

The second sub-model is identical to the first sub-model except that the secondary employee working nineteen hours receives a lower entry level salary. This model will be referred to as "21/19 Lower Salary Model".

The major distinction between Model II (20/20 Models) and Model III (21/19 Models) is that under Model III, the secondary employee employed for nineteen hours a week would not be eligible for the principal fringe benefits normally provided to state and county employees.

POTENTIAL JOB CATEGORIES AMENABLE TO JOB-SHARING

Utilizing the hypothetical models previously described, employer cost data for job-sharing in various job categories were generated. The selection of the job categories for analysis was based on jobs which the current literature indicates as having special potential for job-sharing purposes. The categories included in the analysis are as follows:

(1) Janitor;

(2) Clerk/Stenographer;

(3) Librarian or Engineer;

(4) Grade School Teachers (two examples to depict different salary levels); and

(5) University instructional staff.

SOME ASSUMPTIONS AND BASES

In order to begin the cost assessment of the selected hypothetical job-sharing models, several assumptions were made as follows:

(1) The incumbent employees are public employees (i.e., employed by the State or counties); the secondary persons are not former public employees. (*Note:* In Chapter 7, however, selected models and calculations include former public employees receiving unemployment insurance benefits.)

(2) The employees are employed for more than six months, enabling those working twenty or more hours a week to qualify for the principal fringe benefits;

(3) The applicable fringe benefits were determined under existing state statutes, selected departmental rules and regulations, and current collective bargaining unit agreements;

(4) The salaries were based upon the existing collective bargaining unit schedules, including the current agreement rates as applicable (i.e., agreements in effect as of January, 1977); and

(5) The employer cost items are intended to cover employee fringe benefits such as vacation/sick leave, the Public Employees Health Fund, and the state retirement plan (retirement, post-retirement, and social security) and the dollar amounts, as applicable, assigned to them. However, several other benefits including sabbatical leave, jury/witness leave, educational leave, maternity leave, workers' compensation, unemployment insurance, and their specific dollar amounts are not included in the analyses because the costs are contingent on events that may or may not occur. Other potential costs such as miscellaneous administrative costs are also omitted in this analysis.

JOB-SHARING COST IMPACT - SOME SELECTED JOB CATEGORIES

The detailed cost factors and the annual employer costs for the shared janitor, clerk/stenographer, librarian/engineer, grade school teacher I and II, and university instructor positions under the various job-sharing models are presented in TABLES 6.1, 6.2, 6.3, 6.4, 6.5, and 6.6, respectively. Each Table is divided into two distinct sections delineating separately the job-sharing costs for two employees with no dependents and job-sharing costs for two employees with three dependents each. Within each section are presented the detailed

TABLE 6.1

JOB-SHARING -- APPROXIMATE ANNUAL EMPLOYEE BENEFIT COSTS[1] FOR SELECTED HYPOTHETICAL MODELS

(JANITOR)

	EMPLOYEE WITH NO DEPENDENTS[3]							EMPLOYEE WITH DEPENDENTS[4]						
BASIC EMPLOYEE BENEFITS[2]	MODEL I	MODEL II			MODEL III			MODEL I	MODEL II			MODEL III		
	STANDARD 40 HRS/WK	INCUMBENT[5] 20 HRS/WK (a)	SECONDARY SAME SALARY[6] 20 HRS/WK (b)	SECONDARY LOWER SALARY[6] 20 HRS/WK (c)	INCUMBENT[5] 21 HRS/WK (a)	SECONDARY SAME SALARY[6] 19 HRS/WK (b)	SECONDARY LOWER SALARY[6] 19 HRS/WK (c)	STANDARD 40 HRS/WK	INCUMBENT[5] 20 HRS/WK (a)	SECONDARY SAME SALARY[6] 20 HRS/WK (b)	SECONDARY LOWER SALARY[6] 20 HRS/WK (c)	INCUMBENT[5] 21 HRS/WK (a)	SECONDARY SAME SALARY[6] 19 HRS/WK (b)	SECONDARY LOWER SALARY[6] 19 HRS/WK (c)
Vacation Leave	707.28	404.16	404.16	350.40	404.16	404.16	350.40	707.28	404.16	404.16	350.40	404.16	404.16	350.40
Sick Leave	707.28	404.16	404.16	350.40	404.16	404.16	350.40	707.28	404.16	404.16	350.40	404.16	404.16	350.40
SUBTOTAL ($)	1,414.56	808.32	808.32	700.80	808.32	808.32	700.80	1,414.56	808.32	808.32	700.80	808.32	808.32	700.80
Medical Plan	120.00	120.00	120.00	120.00	120.00	NA	NA	360.00	360.00	360.00	360.00	360.00	NA	NA
Dental Plan	-0-	-0-	-0-	-0-	-0-	NA	NA	78.24	78.24	78.24	78.24	78.24	NA	NA
Group Life Insurance Plan	27.00	27.00	27.00	27.00	27.00	NA	NA	27.00	27.00	27.00	27.00	27.00	NA	NA
SUBTOTAL ($)	147.00	147.00	147.00	147.00	147.00	-0-	-0-	465.24	465.24	465.24	465.24	465.24	-0-	-0-
Retirement	1,141.62	570.81	570.81	495.63	599.35	NA	NA	1,141.62	570.81	570.81	495.63	599.35	NA	NA
Post-Retirement	218.70	109.35	109.35	94.95	114.82	NA	NA	218.70	109.35	109.35	94.95	114.82	NA	NA
Social Security (FICA)	511.75	255.87	255.87	222.18	268.67	NA	NA	511.75	255.87	255.87	222.18	268.67	NA	NA
SUBTOTAL ($)	1,872.07	936.03	936.03	812.76	982.84	NA	NA	1,872.07	936.03	936.03	812.76	982.84	-0-	-0-
Salary[7]	8,748.00	4,374.00	4,374.00	3,798.00	4,592.70	4,155.30	3,608.10	8,748.00	4,374.00	4,374.00	3,798.00	4,592.70	4,155.30	3,608.10
Benefits Subtotal	3,433.63	1,891.35	1,891.35	1,660.56	1,938.16	808.32	700.80	3,751.87	2,209.59	2,209.59	1,978.80	2,256.40	808.32	700.80
Salary + Benefits SUBTOTAL ($)	12,181.63	6,265.35	6,265.35	5,458.56	6,530.86	4,963.62	4,308.90	12,499.87	6,583.59	6,583.59	5,776.80	6,849.10	4,963.62	4,308.90
Total ($) Standard Model	12,181.63							12,499.87						
Total ($) Incumbent and Secondary (Same Salary) a + b			12,530.70			11,494.48				13,167.18			11,812.72	
Total ($) Incumbent and Secondary (Lower Salary) a + c				11,723.91			10,839.76				12,360.39			11,158.00
Difference from Standard ($)			+349.07	(457.72)		(687.15)	(1,341.87)			+667.31	(139.48)		(687.15)	(1,341.87)
(%)			+2.87%	(3.76%)		(5.64%)	(11.02%)			+5.34%	(1.12%)		(5.50%)	(10.74%)

1. Assuming employees are employed more than 6 months; excludes miscellaneous administrative costs as well as other contingent costs including sabbatical, funeral, military, educational, and jury/witness leaves, workers' compensation, and unemployment insurance.
2. Based on existing statutes and applicable rules and regulations.
3. Assuming employee has no dependents.
4. Assuming employee has a spouse and 2 minor children.
5. Assuming employee is classified as a WB-3, Step 5.
6. Assuming secondary employee enters the system at WB-3, Step 1.
7. Based on collective bargaining agreements in effect as of January, 1977.

TABLE 6.2

JOB-SHARING--APPROXIMATE ANNUAL EMPLOYEE BENEFIT COSTS[1] FOR SELECTED HYPOTHETICAL MODELS

(CLERK/STENOGRAPHER)

	EMPLOYEE WITH NO DEPENDENTS[3]							EMPLOYEE WITH DEPENDENTS[4]						
	MODEL I	MODEL II			MODEL III			MODEL I	MODEL II			MODEL III		
BASIC EMPLOYEE BENEFITS[2]	STANDARD[5] 40 HRS/WK	INCUMBENT[5] 20 HRS/WK (a)	SECONDARY SAME SALARY[5] 20 HRS/WK (b)	SECONDARY LOWER SALARY[6] 20 HRS/WEEK (c)	INCUMBENT[5] 21 HOURS/WK (a)	SECONDARY SAME SALARY[5] 19 HRS/WK (b)	SECONDARY LOWER SALARY[6] 19 HRS/WK (c)	STANDARD[5] 40 HRS/WK	INCUMBENT[5] 20 HRS/WK (a)	SECONDARY SAME SALARY[5] 20 HRS/WK (b)	SECONDARY LOWER SALARY[6] 20 HRS/WK (c)	INCUMBENT[5] 21 HRS/WK (a)	SECONDARY SAME SALARY[5] 19 HRS/WK (b)	SECONDARY LOWER SALARY[6] 19 HRS/WK (c)
Vacation Leave	1,046.77	598.16	598.16	399.84	598.16	598.16	399.84	1,046.77	598.16	598.16	399.84	598.16	598.16	399.84
Sick Leave	1,046.77	598.16	598.16	399.84	598.16	598.16	399.84	1,046.77	598.16	598.16	399.84	598.16	598.16	399.84
SUBTOTAL ($)	2,093.54	1,196.32	1,196.32	799.68	1,196.32	1,196.32	799.68	2,093.54	1,196.32	1,196.32	799.68	1,196.32	1,196.32	799.68
Medical Plan	120.00	120.00	120.00	120.00	120.00	NA	NA	360.00	360.00	360.00	360.00	360.00	NA	NA
Dental Plan	-0-	-0-	-0-	-0-	-0-	NA	NA	78.24	78.24	78.24	78.24	78.24	NA	NA
Group Life Insurance Plan	27.00	27.00	27.00	27.00	27.00	NA	NA	27.00	27.00	27.00	27.00	27.00	NA	NA
SUBTOTAL ($)	147.00	147.00	147.00	147.00	147.00	-0-	-0-	465.24	465.24	465.24	465.24	465.24	-0-	-0-
Retirement	1,691.28	845.64	845.64	565.33	887.92	NA	NA	1,691.28	845.64	845.64	565.33	887.92	NA	NA
Post-Retirement	324.00	162.00	162.00	108.30	170.10	NA	NA	324.00	162.00	162.00	108.30	170.10	NA	NA
Social Security (FICA)	758.16	379.08	379.08	253.42	398.03	NA	NA	758.16	379.08	379.08	253.42	398.03	NA	NA
SUBTOTAL ($)	2,773.44	1,386.72	1,386.72	927.05	1,456.05	-0-	-0-	2,773.44	1,386.72	1,386.72	927.05	1,456.05	-0-	-0-
Salary[7]	12,960.00	6,480.00	6,480.00	4,332.00	6,804.00	6,156.00	4,115.40	12,960.00	6,480.00	6,480.00	4,332.00	6,804.00	6,156.00	4,115.40
Benefits Subtotal	5,013.98	2,730.04	2,730.04	1,873.73	2,799.37	1,196.32	799.68	5,332.22	3,048.28	3,048.28	2,191.97	3,117.61	1,196.32	799.68
Salary and Benefits SUBTOTAL ($)	17,973.98	9,210.04	9,210.04	6,205.73	9,603.37	7,352.32	4,915.08	18,292.22	9,528.28	9,528.28	6,523.97	9,921.61	7,352.32	4,915.08
Total ($) Standard Model	17,973.98							18,292.22						
Incumbent and Secondary (Same Salary) a + b			18,420.08			16,955.69				19,056.56			17,273.93	
Incumbent and Secondary (Lower Salary) a + c				15,415.77			14,518.45				16,052.25			14,836.69
Difference from Standard ($)			+446.10	(2,558.21)		(1,018.29)	(3,455.53)			+764.34	(2,239.97)		(1,018.29)	(3,455.53)
(%)			+2.48%	(14.23%)		(5.67%)	(19.23%)			4.18%	(12.25%)		(5.57%)	(18.89%)

1. Assuming employees are employed more than 6 months; excludes miscellaneous administrative costs as well as other contingent costs including sabbatical, funeral, military, educational and jury/witness leaves, workers' compensation and unemployment insurance.
2. Based on existing statutes and applicable rules and regulations.
3. Assuming employee has no dependents.
4. Assuming employee has a spouse and 3 minor children.
5. Assuming that the employee is classified as SR-11, L-4.
6. Assuming secondary employee enters the system at SR-11, Step B.
7. Based on collective bargaining agreements in effect as of January, 1977.

TABLE 6.3

JOB-SHARING -- APPROXIMATE ANNUAL EMPLOYEE BENEFIT COSTS[1] FOR SELECTED HYPOTHETICAL MODELS

(LIBRARIAN/ENGINEERS)

BASIC EMPLOYEE BENEFITS[2]	EMPLOYEE WITH NO DEPENDENTS[3]							EMPLOYEE WITH DEPENDENTS[4]						
	MODEL I	MODEL II			MODEL III			MODEL I	MODEL II			MODEL III		
	STANDARD[5] 40 HRS/WK	INCUMBENT[5] 20 HRS/WK (a)	SECONDARY SAME SALARY[5] 20 HRS/WK (b)	SECONDARY LOWER SALARY[6] 20 HRS/WK (c)	INCUMBENT[5] 21 HRS/WK (a)	SECONDARY SAME SALARY[5] 19 HRS/WK (b)	SECONDARY LOWER SALARY[6] 19 HRS/WK (c)	STANDARD[5] 40 HRS/WK	INCUMBENT[5] 20 HRS/WK (a)	SECONDARY SAME SALARY[6] 20 HRS/WK (b)	SECONDARY LOWER SALARY[6] 20 HRS/WK (c)	INCUMBENT[5] 21 HRS/WK (a)	SECONDARY SAME SALARY[5] 19 HRS/WK (b)	SECONDARY LOWER SALARY[6] 19 HRS/WK (c)
Vacation Leave	2,008.34	1,147.56	1,147.56	752.68	1,147.56	1,147.56	752.68	2,008.34	1,147.56	1,147.56	752.68	1,147.56	1,147.56	752.68
Sick Leave	2,008.34	1,147.56	1,147.56	752.68	1,147.56	1,147.56	752.68	2,008.34	1,147.56	1,147.56	752.68	1,147.56	1,147.56	752.68
SUBTOTAL ($)	4,016.68	2,295.12	2,295.12	1,505.36	2,295.12	2,295.12	1,505.36	4,016.68	2,295.12	2,295.12	1,505.36	2,295.12	2,295.12	1,505.36
Medical Plan	120.00	120.00	120.00	120.00	120.00	NA	NA	360.00	360.00	360.00	360.00	360.00	NA	NA
Dental Plan	-0-	0-	-0-	-0-	-0-	NA	NA	78.24	78.24	78.24	78.24	78.24	NA	NA
Group Life Insurance Plan	27.00	27.00	27.00	27.00	27.00	NA	NA	27.00	27.00	27.00	27.00	27.00	NA	NA
SUBTOTAL ($)	147.00	147.00	147.00	147.00	147.00	-0-	-0-	465.24	465.24	465.24	465.24	465.24	-0-	-0-
Retirement	3,244.75	1,622.38	1,622.38	1,064.10	1,703.49	NA	NA	3,244.75	1,622.38	1,622.38	1,064.10	1,703.49	NA	NA
Post-Retirement	621.60	310.80	310.80	203.85	326.34	NA	NA	621.60	310.80	310.80	203.85	326.34	NA	NA
Social Security (FICA)	965.25	727.27	727.27	477.01	763.64	NA	NA	965.25	727.27	727.27	477.01	763.64	NA	NA
SUBTOTAL ($)	4,831.60	2,660.45	2,660.45	1,744.96	2,793.47	-0-	-0-	4,831.60	2,660.45	2,660.45	1,744.96	2,793.47	-0-	-0-
Salary[7]	24,864.00	12,432.00	12,432.00	8,154.00	13,053.60	11,810.40	7,746.30	24,864.00	12,432.00	12,432.00	8,154.00	13,053.60	11,810.40	7,746.30
Benefits Subtotal	8,995.28	5,102.57	5,102.57	3,397.32	5,235.59	2,295.12	1,505.36	9,313.52	5,430.81	5,430.81	3,715.56	5,553.83	2,295.12	1,505.36
Salary and Benefits SUBTOTAL ($)	33,859.28	17,534.57	17,534.57	11,551.32	18,289.19	14,105.52	9,251.66	34,177.52	17,862.81	17,862.81	11,869.56	18,607.43	14,105.52	9,251.66
Total ($) Standard Model	33,859.28							34,177.52						
Incumbent and Secondary (Same Salary) a + b			35,069.14			32,394.71				35,725.62			32,712.95	
Incumbent and Secondary (Lower Salary) a + c				29,085.89			27,540.85				29,732.37			27,859.09
Difference from Standard ($)			+1,209.86	(4,773.39)		(1,464.57)	(6,318.43)			+1,548.10	(4,445.15)		(1,464.57)	(6,318.43)
(%)			+3.57%	(14.09%)		(4.33%)	(18.66%)			+4.53%	(13.01%)		(4.29%)	(18.49%)

1. Assuming employees are employed for more than 6 months; excludes miscellaneous administrative costs as well as other contingent costs including sabbatical, funeral, military, educational, and jury/witness leaves, workers' compensation and unemployment insurance.
2. Based on statutes and applicable rules and regulations.
3. Assuming employee has no dependents.
4. Assuming employee has a spouse and 2 minor children.
5. Assuming employee is classified as a SR-25, L-4.
6. Assuming the employee enters the system at SR-25, Step B.
7. Based on collective bargaining agreements in effect as of January, 1977.

TABLE 6.4

JOB-SHARING--APPROXIMATE ANNUAL EMPLOYEE BENEFIT COSTS[1] FOR SELECTED HYPOTHETICAL MODELS

(SCHOOL TEACHER CLASS III)

BASIC EMPLOYEE BENEFITS[2]	EMPLOYEE WITH NO DEPENDENTS[3]							EMPLOYEE WITH DEPENDENTS[4]						
	MODEL I	MODEL II			MODEL III			MODEL I	MODEL III			MODEL III		
	STANDARD[5] 40 HRS/WK	INCUMBENT[6] 20 HRS/WK (a)	SECONDARY SAME SALARY[5] 20 HRS/WK (b)	SECONDARY LOWER SALARY[6] 20 HRS/WK (c)	INCUMBENT[5] 21 HRS/WK (a)	SECONDARY SAME SALARY[5] 19 HRS/WK (b)	SECONDARY LOWER SALARY[6] 19 HRS/WK (c)	STANDARD[5] 40 HRS/WK	INCUMBENT[5] 20 HRS/WK (a)	SECONDARY SAME SALARY[5] 20 HRS/WK (b)	SECONDARY LOWER SALARY[6] 20 HRS/WK (c)	INCUMBENT[5] 21 HRS/WK (a)	SECONDARY SAME SALARY[5] 19 HRS/WK (b)	SECONDARY LOWER SALARY[6] 19 HRS/WK (c)
Vacation Leave	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Sick Leave	1,599.30	799.65	799.65	548.00	799.65	799.65	548.00	1,599.30	799.65	799.65	548.00	799.65	799.65	548.00
SUBTOTAL ($)	1,599.30	799.65	799.65	548.00	799.65	799.65	548.00	1,599.30	799.65	799.65	548.00	799.65	799.65	548.00
Medical Plan	120.00	120.00	120.00	120.00	120.00	NA	NA	360.00	360.00	360.00	360.00	360.00	NA	NA
Dental Plan	-0-	-0-	-0-	-0-	-0-	NA	NA	78.24	78.24	78.24	78.24	78.24	NA	NA
Group Life Insurance Plan	27.00	27.00	27.00	27.00	27.00	NA	NA	27.00	27.00	27.00	27.00	27.00	NA	NA
SUBTOTAL ($)	147.00	147.00	147.00	147.00	147.00	-0-	-0-	465.24	465.24	465.24	465.24	465.24	-0-	-0-
Retirement	2,087.09	1,043.54	1,043.54	715.14	1,095.72	NA	NA	2,087.09	1,043.54	1,043.54	715.14	1,095.72	NA	NA
Post-Retirement	399.82	199.91	199.91	137.00	209.91	NA	NA	399.82	199.91	199.91	137.00	209.91	NA	NA
Social Security (FICA)	935.59	467.80	467.80	320.58	491.18	NA	NA	935.59	467.80	467.80	320.58	491.18	NA	NA
SUBTOTAL ($)	3,422.50	1,711.25	1,711.25	1,172.72	1,796.81	-0-	-0-	3,422.50	1,711.25	1,711.25	1,172.72	1,796.81	-0-	-0-
Salary[7]	15,993.00	7,996.50	7,996.50	5,480.00	8,396.33	7,596.67	5,206.00	15,993.00	7,996.50	7,996.50	5,480.00	8,396.33	7,596.67	5,206.00
Benefits Subtotal	5,168.80	2,657.90	2,657.90	1,867.72	2,743.46	799.65	548.00	5,487.04	2,976.14	2,976.14	2,185.96	3,061.70	799.65	548.00
Salary + Benefits SUBTOTAL ($)	21,161.80	10,654.40	10,654.40	7,347.72	11,139.79	8,396.32	5,754.00	21,480.04	10,972.64	10,972.64	7,665.96	11,458.03	8,396.32	5,754.00
Total ($) Standard Model	21,161.80							21,480.04						
Total ($) Incumbent and Secondary (Same Salary) (a + b)			21,308.80			19,536.11				21,945.28			19,854.35	
Total ($) Incumbent and Secondary (Lower Salary) (a + c)				18,002.12			16,893.79				18,638.60			17,212.03
Difference from Standard ($)			+147.00	(3,159.68)		(1,625.69)	(4,268.01)			+465.24	(2,841.44)		(1,625.69)	(4,268.01)
(%)			+0.69%	(14.93%)		(7.68%)	(20.17%)			2.17%	(13.23%)		(7.57%)	(19.87%)

1. Assuming employees are employed for more than 6 months; excludes miscellaneous administrative costs as well as other contingent costs including sabbatical, funeral, military, educational, and jury/witness leaves, workers compensation, and unemployment insurance.
2. Based on statutes and applicable rules and regulations.
3. Assuming employee has no dependents.
4. Assuming employee has a spouse and 2 minor children.
5. Assuming the employee enters at Class III, Step 1.
6. Assuming the employee is classified as Class III, L-1.
7. Based on collective bargaining agreements in effect as of January, 1977.

TABLE 6.5

JOB-SHARING--APPROXIMATE ANNUAL EMPLOYEE BENEFIT COSTS[1] FOR SELECTED HYPOTHETICAL MODELS

(SCHOOL TEACHER - CLASS V, L-3)

BASIC EMPLOYEE BENEFITS[2]	EMPLOYEE WITH NO DEPENDENTS[3]							EMPLOYEE WITH DEPENDENTS[4]						
	MODEL I	MODEL II			MODEL III			MODEL I	MODEL III			MODEL III		
	STANDARD[5] 40 HRS/WK	INCUMBENT[6] 20 HRS/WK (a)	SECONDARY, SAME SALARY[6] 20 HRS/WK (b)	SECONDARY, LOWER SALARY[6] 20 HRS/WK (c)	INCUMBENT[6] 21 HRS/WK (a)	SECONDARY, SAME SALARY[6] 19 HRS/WK (b)	SECONDARY, LOWER SALARY[6] 19 HRS/WK (c)	STANDARD[5] 40 HRS/WK	INCUMBENT[6] 20 HRS/WK (a)	SECONDARY, SAME SALARY[6] 20 HRS/WK (b)	SECONDARY, LOWER SALARY[6] 20 HRS/WK (c)	INCUMBENT[6] 21 HRS/WK (a)	SECONDARY, SAME SALARY[6] 19 HRS/WK (b)	SECONDARY, LOWER SALARY[6] 19 HRS/WK (c)
Vacation Leave	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Sick Leave	1,904.60	952.30	952.30	548.00	952.30	952.30	548.00	1,904.60	952.30	952.30	548.00	952.30	952.30	548.00
SUBTOTAL ($)	1,904.60	952.30	952.30	548.00	952.30	952.30	548.00	1,904.60	952.30	952.30	548.00	952.30	952.30	548.00
Medical Plan	120.00	120.00	120.00	120.00	120.00	NA	NA	360.00	360.00	360.00	360.00	360.00	NA	NA
Dental Plan	-0-	-0-	-0-	-0-	-0-	NA	NA	78.24	78.24	78.24	78.24	78.24	NA	NA
Group Life Insurance Plan	27.00	27.00	27.00	27.00	27.00	NA	NA	27.00	27.00	27.00	27.00	27.00	NA	NA
SUBTOTAL ($)	147.00	147.00	147.00	147.00	147.00	-0-	-0-	465.24	465.24	465.24	465.24	465.24	-0-	-0-
Retirement	2,485.50	1,242.75	1,242.75	715.14	1,304.89	NA	NA	2,485.50	1,242.75	1,242.75	715.14	1,304.89	NA	NA
Post-Retirement	476.15	238.07	238.07	137.00	249.98	NA	NA	476.15	238.07	238.07	137.00	249.98	NA	NA
Social Security (FICA)	965.25	557.10	557.10	320.58	584.53	NA	NA	965.25	557.10	557.10	320.58	584.53	NA	NA
SUBTOTAL ($)	3,926.90	2,037.92	2,037.92	1,172.72	2,139.40	-0-	-0-	3,926.90	2,037.92	2,037.92	1,172.72	2,139.40	-0-	-0-
Salary[7]	19,046.00	9,523.00	9,523.00	5,480.00	9,999.15	9,046.85	5,206.00	19,046.00	9,523.00	9,523.00	5,480.00	9,999.15	9,046.85	5,206.00
Benefits Subtotal	5,978.50	3,137.22	3,137.22	1,867.72	3,238.70	952.30	548.00	6,296.74	3,455.46	3,455.46	2,185.96	3,556.94	952.30	548.00
Salary + Benefits SUBTOTAL ($)	25,024.50	12,660.22	12,660.22	7,347.72	13,237.85	9,999.15	5,754.00	25,342.74	12,978.46	12,978.46	7,665.96	13,556.09	9,999.15	5,754.00
Total ($) Standard Model	25,024.50							25,342.74						
Total ($) Incumbent and Secondary (Same Salary) (a + b)			25,320.44			23,237.00				25,956.92			23,555.24	
Total ($) Incumbent and Secondary (Lower Salary) (a + c)				20,007.94			18,991.85				20,644.42			19,310.09
Difference from Standard ($)			+295.94	($5,016.56)		(1,787.50)	(6,032.65)			+614.18	(4,698.32)		(1,787.50)	(6,032.65)
(%)			+1.18%	(20.05%)		(7.14%)	(24.11%)			+2.42%	(18.54%)		(7.05%)	(23.80%)

1. Assuming employees are employed for more than 6 months; excludes miscellaneous administrative costs as well as other contingent costs including sabbatical, funeral, military, educational, and jury/witness leaves, workers compensation, and unemployment insurance.
2. Based on statutes and applicable rules and regulations.
3. Assuming employee has no dependents.
4. Assuming employee has a spouse and 2 minor children.
5. Assuming the employee is classified as Class V, L-3.
6. Assuming the secondary employee enters at Class III, Step 1.
7. Based on collective bargaining agreements in effect as of January, 1977.

TABLE 6.6

JOB-SHARING--APPROXIMATE ANNUAL EMPLOYEE BENEFIT COSTS[1] FOR SELECTED HYPOTHETICAL MODELS

(U.H. FACULTY)

	EMPLOYEE WITH NO DEPENDENTS[3]							EMPLOYEE WITH DEPENDENTS[4]						
	MODEL I	MODEL II			MODEL III			MODEL I	MODEL III			MODEL III		
BASIC EMPLOYEE BENEFITS[2]	STANDARD[5] 40 HRS/WK	INCUMBENT[6] 20 HRS/WK (a)	SECONDARY SAME SALARY[6] 20 HRS/WK (b)	SECONDARY LOWER SALARY[6] 20 HRS/WK (c)	INCUMBENT[6] 21 HRS/WK (a)	SECONDARY SAME SALARY[6] 19 HRS/WK (b)	SECONDARY LOWER SALARY[6] 19 HRS/WK (c)	STANDARD[5] 40 HRS/WK	INCUMBENT[5] 20 HRS/WK (a)	SECONDARY SAME SALARY[5] 20 HRS/WK (b)	SECONDARY LOWER SALARY[6] 20 HRS/WK (c)	INCUMBENT[6] 21 HRS/WK (a)	SECONDARY SAME SALARY[6] 19 HRS/WK (b)	SECONDARY LOWER SALARY[6] 19 HRS/WK (c)
Vacation Leave	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Sick Leave	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
SUBTOTAL ($)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Medical Plan	120.00	120.00	120.00	120.00	120.00	NA	NA	360.00	360.00	360.00	360.00	360.00	NA	NA
Dental Plan	-0-	-0-	-0-	-0-	-0-	NA	NA	78.24	78.24	78.24	78.24	78.24	NA	NA
Group Life Insurance Plan	27.00	27.00	27.00	27.00	27.00	NA	NA	27.00	27.00	27.00	27.00	27.00	NA	NA
SUBTOTAL ($)	147.00	147.00	147.00	147.00	147.00	-0-	-0-	465.24	465.24	465.24	465.24	465.24	-0-	-0-
Retirement	4,032.45	2,016.23	2,016.23	728.97	2,117.04	NA	NA	4,032.45	2,016.23	2,016.23	728.97	2,117.04	NA	NA
Post-Retirement	772.50	386.25	386.25	139.65	405.56	NA	NA	772.50	386.25	386.25	139.65	405.56	NA	NA
Social Security (FICA)	965.25	903.82	903.82	326.78	949.02	NA	NA	965.25	903.82	903.82	326.78	949.02	NA	NA
SUBTOTAL ($)	5,770.20	3,306.30	3,306.30	1,195.40	3,471.62	-0-	-0-	5,770.20	3,306.30	3,306.30	1,195.40	3,471.62	-0-	-0-
Salary[7]	30,900.00	15,450.00	15,450.00	5,586.00	16,222.50	14,677.50	5,306.70	30,900.00	15,450.00	15,450.00	5,586.00	16,222.50	14,677.50	5,306.70
Benefits Subtotal	5,917.20	3,453.30	3,453.30	1,342.40	3,618.62	-0-	-0-	6,235.44	3,771.54	3,771.54	1,660.64	3,936.86	-0-	-0-
Salary + Benefits SUBTOTAL ($)	36,817.20	18,903.30	18,903.30	6,928.40	19,841.12	14,677.50	5,306.70	37,135.44	19,221.54	19,221.54	7,246.64	20,159.36	14,677.50	5,306.70
Total ($) Standard Model	36,817.20							37,135.44[1]						
Incumbent and Secondary (Same Salary) (a + b)			37,806.60			34,518.62				38,443.08			34,836.86	
Incumbent and Secondary (Lower Salary) (a + c)				25,831.70			25,147.82				26,468.18			25,466.06
Difference from Standard ($)			989.40	(10,984.07)		(2,298.58)	(11,669.38)[1]			1,307.64	(10,667.26)		(2,298.58)	(11,669.38)
(%)			2.69%	(29.83%)		(6.24%)	(31.70%)			3.52%[1]	(28.72%)		(6.24%)	(31.70%)[1]

1. Assuming employees are employed for more than 6 months; excludes miscellaneous administrative costs as well as other contingent costs including sabbatical, funeral, military, educational, and jury/witness leaves, workers compensation, and unemployment insurance.
2. Based on statutes and applicable rules and regulations.
3. Assuming employee has no dependents.
4. Assuming employee has a spouse and 2 minor children.
5. Assuming the employee is classified as 5-Professor, Step C.
6. Assuming the secondary employee enters the system at 2-Instructor, Step 2.
7. Based on collective bargaining agreements in effect as of January, 1977.

salary and fringe benefit costs and total annual costs for the three hypothetical job-sharing models discussed previously. In addition, the difference in cost in terms of dollars and per cent between each job-sharing model (i.e., Models II and III) and the standard model (Model I, where there is no job-sharing) is displayed at the bottom of each table. This information is also summarized in TABLE 6.7 for all the job categories analyzed.

TABLE 6.7

SUMMARY OF EMPLOYER COSTS* FOR SELECTED HYPOTHETICAL JOB SHARING MODELS

Employment Category		Model I (Std.) Incumbent 40 hrs/wk	Model II 20/20 hrs/wk		Model III 21/19 hrs/wk	
			Same Salary	Lower Salary	Same Salary	Lower Salary
JANITOR						
No Dependents						
Total Cost	($)	12,181.63	12,530.70	11,723.91	11,494.48	10,839.76
Diff. From Std.	($)		349.07	(457.72)	(687.15)	(1,341.87)
	(%)		2.87	(3.76)	(5.64)	(11.02)
With Dependents						
Total Cost	($)	12,499.87	13,167.18	12,360.39	11,812.72	11,158.00
Diff. From Std.	($)		667.31	(139.48)	(687.15)	(1,341.87)
	(%)		5.34	(1.12)	(5.50)	(10.74)
CLERK/STENOGRAPHER						
No Dependents						
Total Cost	($)	17,973.98	18,420.08	15,415.77	16,955.69	14,158.45
Diff. From Std.	($)		446.10	(2,558.21)	(1,018.29)	(3,455.53)
	(%)		2.48	(14.23)	(5.67)	(19.23)
With Dependents						
Total Cost	($)	18,292.22	19,056.56	16,052.25	17,273.93	14,836.69
Diff. From Std.	($)		764.34	(2,239.97)	(1,018.29)	(3,455.53)
	(%)		4.18	(12.25)	(5.57)	(18.89)
LIBRARIAN/ENGINEER						
No Dependents						
Total cost	($)	33,859.24	35,069.14	29,650.37	32,394.71	27,540.85
Diff. From Std.	($)		1,209.90	(4,208.87)	(1,464.53)	(6,318.39)
	(%)		3.57	(12.43)	(4.33)	(18.66)
With Dependents						
Total cost	($)	34,177.48	35,725.62	29,732.37	32,712.95	27,859.09
Diff. From Std.	($)		1,548.14	(4,445.11)	(1,464.53)	(6,318.39)
	(%)		4.53	(13.01)	(4.29)	(18.49)

T A B L E 6.7
(Continued)

Employment Category		Model I (Std.) Incumbent 40 hrs/wk	Model II 20/20 hrs/wk		Model III 21/19 hrs/wk	
			Same Salary	Lower Salary	Same Salary	Lower Salary
SCHOOL TEACHER I						
No Dependents						
Total Cost	($)	21,161.80	21,308.80	18,002.12	19,536.11	16,893.79
Diff. From Std.	($)		147.00	(3,159.68)	(1,625.69)	(4,268.01)
	(%)		0.69	(14.93)	(7.68)	(20.17)
With Dependents						
Total Cost	($)	21,480.04	21,945.28	18,638.60	19,854.35	17,212.03
Diff. From Std.	($)		465.24	(2,841.44)	(1,625.69)	(4,268.01)
	(%)		2.17	(13.23)	(7.57)	(19.87)
SCHOOL TEACHER II						
No Dependents						
Total Cost	($)	25,024.50	25,320.44	20,007.94	23,237.00	18,991.85
Diff. From Std.	($)		295.94	(5,016.54)	(1,787.50)	(6,032.65)
	(%)		1.18	(20.05)	(7.14)	(24.11)
With Dependents						
Total Cost	($)	25,342.74	25,956.92	20,644.42	23,555.24	19,310.40
Diff. From Std.	($)		614.18	(4,698.32)	(1,787.50)	(6,032.65)
	(%)		2.42	(18.54)	(7.05)	(23.80)
UH INSTRUCTIONAL STAFF						
No Dependents						
Total cost	($)	36,767.20	37,806.60	25,831.70	34,518.62	25,147.82
Diff. From Std.	($)		1,039.40	(10,935.50)	(2,248.58)	(11,619.38)
	(%)		2.83	(29.74)	(6.12)	(31.60)
With Dependents						
Total cost	($)	37,085.44	38,443.08	26,468.18	34,836.86	25,466.06
Diff. From Std.	($)		1,357.64	(10,617.26)	(2,248.58)	(11,619.38)
	(%)		3.66	(28.63)	(6.06)	(31.33)

* *Including Salary & Selected Benefits*

Based on a review of the foregoing Tables, the following generalizations concerning job-sharing costs can be made:

(1) The job-sharing costs for employees with dependents exceed the costs for employees with no dependents in all models examined. This can be attributed to two factors. First, dental plan benefits are provided to the employees with minor dependents, but are not provided to the employee with no dependents. Secondly, the employer's health plan contribution for employees with dependents is three times more than the cost for employees with no dependents.

(2) Certain fringe benefit costs appear to be proportional to the salary received by employees. For example, the employer cost for vacation and sick leave, and retirement benefits is directly proportional to the earned annual salary of the employee. In the case of social security, the employer cost is directly proportional up to a salary base established by federal law. In 1976, the taxable salary base established by the Social Security Administration was $16,500. The cost of providing other fringe benefits such as the Public Employees Health Fund and group life insurance however, is independent of the earned salary of the employees. The level of contribution by the employer in the case of the Public Employees Health Fund depends upon whether the employee has dependents, while the level of contribution for the group life insurance plan is the same for all employees.

(3) Sharing a job equally between two persons at the same salary level (See Model II 20/20 Same Salary Model), in all cases examined, seems to entail an additional cost to the employer in comparison to the Standard Model I under which no job-sharing occurs. This is primarily due to two factors. First, the employer must double his contribution to the Public Employees Health Fund since both employees would be eligible for the benefit under this Model. The second factor is attributed to the employer portion of the social security contribution.

- If the salary of one full-time employee or the combined salary of the two half-time employees is less than the established social security tax salary base ($16,500 in 1976), there would be no additional cost to the employer.

- If the combined salary of the two half-time employees falls between the established base, and its doubled amount (i.e., between $16,500 to $33,000), the cost to the employer increases proportionately up to double that of one full-time employee at a $16,500 salary base. The employer pays the same amount per year on a single salary, but must pay up to the maximum amount on each of the two half-time employee's salary.

(4) With the exception of the 20/20 Same Salary Model, all of the other job-sharing models examined seem to indicate a reduction in cost compared to the Standard Model under which no job-sharing occurs. In particular, the 21/19 Lower Salary Model represents the job-sharing model with the greatest cost reduction to the employer. This is attributable to two factors. First, the secondary employee working less than nineteen hours a week receives a substantially lower salary than that of the incumbent; and secondly, working only nineteen hours a week precludes the secondary employee from qualifying for certain fringe benefits including enrollment in the Public Employees Health Fund and the pension and retirement systems.

CHAPTER 7

JOB-SHARING: THE EFFECTS ON PUBLIC ASSISTANCE AND UNEMPLOYMENT INSURANCE (UI) BENEFITS

INTRODUCTION

In the previous Chapter, the cost impact of implementing job-sharing under several basic hypothetical models and sub-models was examined. The assessment included the examination of a public employee (incumbent) who shares his job under several variant employment conditions with a secondary person not previously in government service. The analysis, however, did not consider the source or background of the secondary employee. Since the source of the secondary employee could have a cost impact to the state/county governments, a closer examination of the secondary employee was conducted. Conceivably, the secondary employee would come from several categories of people including the following:

(1) An individual voluntarily unemployed and not generally considered to be part of the labor force who may become interested in sharing employment because of the opportunities and benefits possible through job-sharing;

(2) An individual employed, but interested in additional employment or a possible change in employment;

(3) An unemployed individual totally dependent on public assistance benefits; and

(4) An unemployed individual totally dependent on unemployment insurance benefits.

While mixes and variations of the foregoing categories are possible, the Bureau, in the interest of simplicity, limited its assessment to the four categories of potential employees listed above. The Bureau's assessment of the potential employees listed above, suggests that the cost impact of employing individuals from categories (1) and (2) immediately preceding under job-sharing conditions would not vary significantly from the figures presented previously in Chapter 6 of this report. This assumption is drawn from the presumption that there are no current state/county government costs associated with either category (1) or (2). Employing individuals from categories (3) and (4), however, would affect the total state/county government cost since public funds are currently being used to support these individuals. The public assistance recipient would be receiving public assistance while the unemployment insurance (UI) recipient (former public employee) would also be receiving funds which are payable to the Unemployment Insurance Trust Fund by the state/county governments. The acquiring of a job-sharing position by individuals in categories (3) and (4) would therefore have an impact on state/county costs.

In subsequent sections of this Chapter, the cost impact to the state/county governments of a public assistance recipient

and UI recipient accepting a job-sharing position will be discussed.

AN OVERVIEW OF PUBLIC ASSISTANCE BENEFITS

The State of Hawaii has two principal public assistance programs which provide financial and related services and benefits to eligible individuals and families. Both the Aid to Families with Dependent Children (AFDC) and the General Assistance (GA) programs are administered by the Public Welfare Division of the State Department of Social Services and Housing.

The AFDC program which is funded jointly by the federal and state governments provides financial assistance and various services to needy families with children in which one or both parents are absent from the home due to death, incarceration, desertion, etc. or "disabled". A sub-program of AFDC is the Aid to Families with Dependent Children-Unemployed Parent Program (AFDC-UP) which provides assistance to families in which one or both parents are unemployed or underemployed (i.e., employed for less than one hundred hours a month).

The General Assistance (GA) program is financed in its entirety by the state government. The program was established to assist needy individuals and families who, broadly speaking, do not qualify for federally assisted income support programs.

Both the AFDC and GA programs provide similar program benefits including direct money payments, medical care benefits, and food stamps. Public assistance recipients may also be eligible for other benefits including social services such as counseling, and no-fault insurance premium payment benefits.

The specific benefits received and the extent of assistance provided are generally dependent on income, liquid assets, including real property, and size of the "family", as measured against the "Welfare Standard of Assistance". Each of the foregoing benefits has its own specific qualifying requirements and must be determined on an individual basis. It should be noted however, that an individual or family who qualifies for the money payments program is automatically eligible for the other public assistance benefits.

Money Payments. Money payment benefits are divided into two distinct categories. The first provides for basic and special needs of the recipient and includes allowances for consumption items such as food, clothing, household supplies, and selected personal needs. The second provides funds to cover payments for rent and utilities. The money payment limits in both categories are based on the difference between the need standard established by law and which is generally proportional to family size and the income available.

Medical Assistance (MEDICAID). The Medical Assistance program, as differentiated from the Medicare program, provides payments for the broad medical care services that an eligible individual or family needs. All individuals and families who are eligible for money payment benefits under the AFDC or GA program are automatically eligible for medical care benefits. Individuals and families with monthly income and resources exceeding the needs standard may be eligible if the excess income is insufficient to meet medical care costs.

Food Stamps. The Food Stamp Program is intended to enable qualified persons or households to increase purchasing power with respect to basic food items. Under the program, individuals or households satisfying certain nationwide eligibility standards with regard to income and economic resources may purchase food stamps each month at a price below their face value. The size of the allotment (i.e., the number of stamps provided) is basically dependent on family size, and the cost of the stamps depends on the household income level. The purchased stamps may then be used to buy food items at the various authorized participating markets, etc.

Social Services. Social services are provided to eligible individuals or families. As a general rule, all recipients of money payments under the AFDC and GA programs are eligible for social services. Others wishing to qualify must meet the income eligibility requirement which has been set at sixty per

cent of the State Median Income, adjusted for family size. Among the social services provided are adoption, family planning, employment and training, information and referral, and child care services.

No-Fault Automobile Insurance. Pursuant to section 294-22, *Hawaii Revised Statutes*, relating to Hawaii's No-Fault Insurance Law, the joint underwriting plan provides no-fault insurance benefits and policies to all licensed drivers who are registered owners of motor vehicles and who are receiving public assistance benefits consisting of money payments, or medical services.

It has been estimated that current beneficiaries under the State's No-Fault Automobile Insurance program receive state financial support in terms of dollar value of approximately $216 per person, per year.

JOB-SHARING BY A PUBLIC ASSISTANCE RECIPIENT

In the following sections, the cost impact under two conditions, i.e., when no job-sharing occurs and under job-sharing, will be examined. The specific analysis to be illustrated include the following:

No Job-Sharing

- Cost of supporting a person totally dependent upon public assistance (either with or without dependents);
- Cost of a full-time public employee employed as a janitor (either with or without dependents); and,
- The total cost of the aforementioned conditions.

Under Job-Sharing

- Cost of the aforementioned individuals sharing a janitor position under various hypothetical job-sharing models developed in Chapter 6.

Comparative Costs

- Comparison of the total cost under no job-sharing and job-sharing conditions.

THE COST OF PROVIDING PUBLIC ASSISTANCE BENEFITS

In order to develop the model to identify and generate cost data relating to the provision of public assistance benefits, several assumptions were made. They include the following:

(1) The individual with no dependents does not qualify for AFDC-UP benefits; however, this individual is eligible for GA benefits. The individual with no dependents will hereafter be referred to as the "GA recipient".

The individual with three dependents (a spouse and two minor children) is eligible for AFDC-UP benefits. This individual will hereafter be referred to as the "AFDC-UP recipient".

(2) Both the GA recipient and the AFDC-UP recipient are unemployed and have no source of income and no assets. Under this condition recipients in either category qualify for full public assistance benefits.

(3) Both recipients (GA and AFDC-UP) expend the maximum allotted for shelter (housing).

(4) Both recipients are not receiving UI benefits; however, both are qualified to be employed as janitors.

Based upon the foregoing assumptions and the "Monthly Allowances" tables utilized by the Public Welfare Division of

the Hawaii State Department of Social Services and Housing to determine public assistance payments, the cost of providing benefits to a GA recipient and an AFDC-UP recipient who are totally dependent on public assistance benefits was calculated. This is illustrated in TABLE 7.1 below.

TABLE 7.1

THE ANNUAL STATE COST FOR
GA AND AFDC-UP RECIPIENTS TOTALLY DEPENDENT
ON PUBLIC ASSISTANCE BENEFITS

BENEFITS	GA RECIPIENT	AFDC-UP RECIPIENT
Money Payments	$3,396.00	$6,168.00
Medical Assistance	(variable)*	(variable)*
Food Stamps	168.00	876.00
Social Services	(variable)*	(variable)*
No-Fault Insurance Premium Payments	216.00	216.00
Total State Cost	$3,780.00	$7,260.00

Source: *Monthly Allowance Table of Department of Social Services and Housing, Public Welfare Division, as of 7/1/75.*

**Indicates variable "contingent" costs which are not included in the analysis.*

As indicated in TABLE 7.1, the cost of supporting an individual with no dependents (GA recipient) and an individual with three dependents (AFDC-UP recipient) amounts to $3,780 and $7,260, respectively. The higher dollar amount received by

the AFDC-UP recipient can be directly attributable to the increased payments made to support the dependents of the AFDC-UP recipient. The total shown in TABLE 7.1 represents only a portion of the public assistance costs. The medical assistance and social services costs are not included in the total. While dollar amounts could be readily estimated for the money payment, food stamp, and no-fault insurance program benefits (since the benefit levels are established by law or departmental rules), the cost for medical assistance and social services could not be readily determined or estimated under the hypothetical model developed since the cost for these benefits are contingent upon specific case by case situations.

COST OF A FULL-TIME PUBLIC EMPLOYEE

The costs of employing full-time public employees in various employment categories were developed in Chapter 6 of this report. For the purpose of the analysis in this section, only the janitor position will be considered. In developing the total cost for a full-time janitor, two factors were considered. First, the salary and fringe benefits currently being provided to the employee; and second, the state tax liability or credit as applicable. Utilizing the cost figures developed in Chapter 6 and taking into account the employee state tax liability, the annual costs of a full-time janitor both with and without dependents amounted to $12,382.87 and $11,734.63, respectively.

TOTAL COST UNDER NO JOB-SHARING

The total costs to state or county government for a full-time public employee employed as a janitor (both individual and family) and for the totally dependent public assistance recipient (both GA and AFDC-UP) are presented below in TABLE 7.2.

TABLE 7.2

COMPARATIVE COSTS: FULL-TIME PUBLIC EMPLOYEE VERSUS TOTALLY DEPENDENT PUBLIC ASSISTANCE RECIPIENT

	INDIVIDUAL	FAMILY
GA/AFDC-UP Recipient	$ 3,780.00	$ 7,260.00
Full-time Janitor	11,734.63	12,382.87
Total Cost	$15,514.63	$19,642.87

COSTS UNDER JOB-SHARING

In this section, the cost impact of a totally dependent public assistance recipient sharing a janitor position with the incumbent public employee will be examined. In determining the cost impact, the following cost factors were considered.

Public employee sharing his janitor position

- The "job-sharing" salary;
- The state tax liability/credit, as applicable; and
- The cost of job-related fringe benefits.

Public assistance recipient sharing a janitor position

- The "job-sharing" salary;
- The state tax liability/credit, as applicable;
- The cost of job-related fringe benefits; and
- The supplemental public assistance benefits based upon the net job-sharing income, as applicable.

Based upon the cost factor considerations listed above, the cost impact of sharing a janitor position under the various hypothetical job-sharing models developed in Chapter 6 was determined. The methodology utilized in calculating the costs is presented in Appendix D while the results of the cost impact analysis are presented in TABLE 7.3

An examination of TABLE 7.3 revealed the following:

(1) The total cost of job-sharing between individuals with dependents is greater than the cost of job-sharing between individuals with no dependents in all of the job-sharing models examined.

(2) The 20/20 same salary models for both the individual and family situation represent the most costly, i.e., to the employer, job-sharing models while the 21/19 lower salary models are the least costly.

(3) In most of the job-sharing models examined, the cost of the secondary employee (i.e., the former totally dependent public assistance recipient) is generally greater than the cost of the incumbent. This is due to the supplementary income provided to the secondary employee by the public assistance program. Only under the 21/19 same salary and the 21/19 lower salary models for the individuals with no dependents are the costs for the secondary employee lower than for those of the incumbent. The Bureau's analysis revealed that this phenomenon is due to the combination of the following factors. First, the single secondary employee in the 21/19 models receives a lower salary due to only nineteen hours of work; and second, these secondary

TABLE 7.3

TOTAL COST OF INCUMBENT PUBLIC EMPLOYEES SHARING
A JANITOR POSITION WITH PUBLIC ASSISTANCE RECIPIENTS

	20/20 Same Salary Model	20/20 Lower Salary Model	21/19 Same Salary Model	21/19 Lower Salary Model
MODEL I				
INDIVIDUALS WITH NO DEPENDENTS				
Cost of Incumbent Public-Employee Job-Sharing	$ 6,151.32	$ 5,525.52	$ 6,403.08	$ 6,403.08
Cost of Public Assistance Recipient (GA) Job-Sharing	$ 7,294.32	$ 6,885.24	$ 5,461.68	$ 5,256.36
Total Cost (Individuals Job-Sharing)	$13,445.64	$12,410.76	$11,864.76	$11,659.44
MODEL II				
INDIVIDUALS WITH DEPENDENTS				
Cost of Incumbent Public Employee Job-Sharing	$ 7,722.52	$ 5,927.76	$ 6,983.40	$ 6,983.40
Cost of (AFDC-UP) Recipient Job-Sharing	$12,402.96	$12,008.52	$ 9,971.04	$ 9,784.32
Total Cost (Heads of Families Job-Sharing)	$19,125.48	$17,936.28	$16,954.44	$16,767.72

* *The position "job-shared" is that of a janitor with an annual salary of $8,748.00*

individuals, who belong to the GA program are not eligible for the income disregard privileges accorded AFDC-UP recipients, thereby revealing larger disposable income for benefit determination purposes, which results in turn, in lower supplementary assistance payments. On the other hand, the secondary individuals with families in the 21/19 models would receive more than the incumbent because of the federally mandated income disregard provision of the AFDC-UP program, which results in higher cash payments for these individuals.

COST IMPACT SUMMARY: JOB-SHARING VERSUS NO JOB-SHARING

A comparative cost analysis of the hypothetical models developed was conducted to determine the potential cost impact of implementing job-sharing in the public sector. For the purpose of this analysis, the costs associated with the non-job-sharing model (i.e., the cost of a full-time public employee and the cost of a totally dependent public assistance recipient) were used as the base or benchmark figure for comparing the cost of sharing the janitor position by these individuals under the different hypothetical job-sharing models developed. The results of this analysis are presented in TABLE 7.4.

The results of the analysis indicate that the total cost of job-sharing under all of the job-sharing models examined appears to be less than under the non-job-sharing models. The cost reduction under job-sharing is largely due to a combination of the following factors. First, the salary and fringe benefit payments to the incumbent public employee are divided between two part-time employees; and second, the secondary employee (the public assistance recipient) who now receives

TABLE 7.4

COMPARATIVE COST ANALYSIS:
NO JOB-SHARING VERSUS JOB-SHARING
(SELECTED HYPOTHETICAL MODELS)

Individual with No Dependents*

	TOTAL COST OF A FULL-TIME PUBLIC EMPLOYEE AND A TOTALLY DEPENDENT PUBLIC ASSISTANCE RECIPIENT (NO JOB-SHARING BENCHMARK COST)	JOB-SHARING MODELS (TOTAL COST OF A PUBLIC EMPLOYEE "JOB-SHARING" WITH A PUBLIC ASSISTANCE RECIPIENT)			
		20/20 Same Salary	20/20 Lower Salary	21/19 Same Salary	21/19 Lower Salary
Total Cost	$15,514.63	$13,445.64	$12,410.76	$11,864.76	$11,659.44
Difference from Standard		2,068.99	3,103.87	3,649.87	3,855.19
Difference from Standard		13%	20%	24%	25%

Individual with Three Dependents**

Total Cost	$19,642.87	$19,125.48	$17,936.28	$16,954.44	$16,767.72
Difference from Standard		517.39	1,706.59	2,688.43	2,875.15
Difference from Standard		3%	9%	14%	15%

* *Assuming that the individuals involved had no dependents.*

** *Assuming that the individuals involved had three dependents each.*

a job-sharing salary would relinquish a large portion of his former public assistance benefit. Therefore, the net effect of the two factors is the reduction in total cost to the state/county governments. Detailed calculations illustrating the above are presented in Appendix D of this report.

The results of the analysis also indicate that the cost reductions for the models depicting job-sharing between individuals with no dependents are greater than for those models which involve individuals with dependents. For example, cost reductions for the former models ranged from thirteen to twenty-five per cent while the figures for the latter ranged from three to fifteen per cent. The difference in cost reduction between the models is due to the fact that public assistance recipients with dependents are entitled to an income disregard provision of the AFDC-UP program while individuals with no dependents (GA program) are not. The income disregard provision ostensibly provides unemployed public assistance recipients with incentive to seek gainful employment. Under the provision, a certain amount of the gross salary earned is deducted (or disregarded) for the purpose of determining supplemental benefits. Because of the apparently "lower salary" earned by these individuals, large supplementary benefit payments are provided. An example of the application of the income disregard provision under the AFDC-UP program is illustrated in Appendix D.

As part of the Bureau's analysis of the hypothetical models, an attempt was made to determine whether job-sharing would provide an incentive for public assistance recipients to actively seek part-time employment. Our findings indicate (i.e., of the models examined) that employment incentives would be provided by the implementation of the job-sharing program. Both the GA and AFDC-UP recipients would receive substantial additional financial benefits under job-sharing since persons in both recipient categories would be receiving both the job-sharing salary as well as supplementary public assistance benefits. For example, based on our data, the annual compensation to an individual totally dependent on GA benefits would be $3,780.00 (see TABLE 7.1). If the same individual shares a janitor job under the 20/20 same salary model, the total annual compensation including the salary and supplemental public assistance benefits would be $7,294.32 (see TABLE 7.3) or an increase in compensation of ninety-three per cent. Under a similar hypothetical situation, the compensation to the AFDC-UP recipient totally dependent on public assistance payments would increase from $7,260.00 (see TABLE 7.1) to $12,402.96 under job-sharing (see TABLE 7.3), a seventy-one per cent increase. It should also be noted that while the dollar amount increase in compensation is apparently smaller for the GA recipient when compared to the AFDC recipient, the total compensation viewed on a per cent increase basis is larger

for the GA recipient. This finding indicates that the incentive for the GA recipient to seek job-sharing employment appears to be greater than that of the AFDC-UP recipient.

CONCLUSIONS CONCERNING JOB-SHARING INVOLVING PUBLIC ASSISTANCE RECIPIENTS

In conclusion, it must be noted that while it appears that job-sharing is cost effective from the standpoint of government in relation to prospective job-sharing employees currently receiving public assistance, it should be remembered that the analysis conducted was based on only part of the potential public assistance costs. Contingent costs including medical assistance and social services costs could not be, and were not assessed.

While costs or values could not be assigned to these contingent benefits, it appears, however, that there may be some cost reduction in medical assistance costs under several of the job-sharing models examined. To illustrate, if an individual were totally dependent on public assistance, Medicaid (supported by public funds) would be responsible for the entire medical cost. On the other hand, if the same individual sharing a job while at the same time retaining eligibility to public assistance qualifies as a member of the Public Employees Health Fund (as in the 20/20 job-sharing models), the bulk of medical payments estimated to be approximately eighty per cent would be paid by the medical insurance company which represents the P.E.H.F., thereby reducing state/county government's obligation.

JOB-SHARING: THE EFFECTS ON UNEMPLOYMENT INSURANCE (UI) BENEFITS

This section, presented in two parts, discusses the cost impact of a UI recipient accepting a job-sharing position. The first part presents an overview of the unemployment insurance benefits while the second part identifies the cost of providing the UI benefits and examines the cost impact under job-sharing and non-job-sharing conditions.

AN OVERVIEW OF UNEMPLOYMENT INSURANCE BENEFITS

The Unemployment Insurance (UI) program was established in 1937 and is codified in chapter 383, *Hawaii Revised Statutes*. The program, implemented and administered by the Unemployment Insurance Division of the Hawaii State Department of Labor and Industrial Relations, provides income in the form of weekly benefits to eligible unemployed workers while they seek suitable employment. The two criteria in determining the person's eligibility include the length of employment and the earned income prior to the individual's unemployment. Unemployed individuals who meet the minimum requirements are entitled to a weekly benefit of 1/25 of the highest compensation paid during a calendar quarter, provided the amount does not exceed $120.00 a week. The UI benefit period is normally limited to twenty-six weeks.

Recently, however, two additional extended programs have been established. The Extended Benefits Program, which is

funded jointly by the federal and state governments, provides an additional thirteen weeks of benefits, while the federally funded Federal Supplemental Benefits Program extends the benefit period for an additional twenty-six weeks. It is therefore possible for an eligible unemployed person to receive unemployment benefits for a total of sixty-five weeks.

The State Unemployment Insurance Trust Fund from which UI benefits are paid is financed by contributions (taxes) from employers throughout the State. Private employers pay taxes on their employee's wages at a specified tax rate (in recent years, the tax rate has been set by law at 3.5 per cent). Government employers, on the other hand, pay no taxes per employee but reimburse the fund on a dollar for dollar basis for any benefits paid to former government employees eligible to receive UI.

COST IMPACT ON UI BENEFITS: JOB-SHARING VERSUS NO JOB-SHARING

In the following sections, the cost impact under two employment conditions, non-job-sharing, and job-sharing conditions will be presented. The specific analysis to be illustrated include the following:

- The cost of supporting a totally dependent UI recipient (both a former public employee and a non-former public employee) and the cost of a full-time public employee (janitor);
- The cost of the aforementioned individuals job-sharing under several hypothetical models; and

- The comparative cost impact under no job-sharing and job-sharing conditions.

THE COST OF PROVIDING UI BENEFITS

In order to determine the cost of providing UI benefits, hypothetical models were constructed. In developing the models, several assumptions were made as follows:

(1) Two categories of UI recipients with dependents were considered. One a former public employee and the other a former non-public employee;

(2) The individuals above have met the minimum statutory requirements pursuant to chapter 383, *Hawaii Revised Statutes*, relating to the Hawaii Employment Security Law and are therefore entitled to full UI benefits;

(3) The UI benefits for all models are based upon the unemployed individual's prior annual earnings of $8,748.00 (the salary of a full-time public employee employed as a janitor); and

(4) The UI benefits which are utilized in the cost analysis have been calculated on an annual basis (to facilitate comparative analysis) rather than twenty-six weeks which is the normal benefit period.

The UI benefit payments, unlike the public assistance payments discussed previously, are based on the unemployed person's prior salary and length of employment and not on the family size. Therefore, in determining the UI benefit costs, no distinction was made between unemployed persons with, and without a family.

A major factor in computing the cost is whether or not the unemployed person was a former government employee. A

UI beneficiary who is not a former public employee would represent no direct cost to the state/county governments because the UI benefits received would be charged to the recipient's former employer's UI Trust Fund reserve. The Unemployment Insurance Trust Fund as previously noted is financed by contributions (taxes) from private employers throughout the State. Payments made to a former public employee, however, are reimbursed on a dollar for dollar basis by the state/county governments.

Based on the assumptions and factors above, the cost of providing UI benefits to a former public employee and a former non-public employee could be determined. The cost data including the methodology to determine the cost are summarized in TABLE 7.5 below.

TABLE 7.5

ANNUAL COST OF UI BENEFITS

UI recipient (former public employee)	$4,548.96*
UI recipient (former non-public employee)	$ .00

* *Weekly UI benefits equal 1/25 of the highest paid calendar quarter; therefore, if the annual salary prior to unemployment was $8,748.00, the salary for the highest quarter would be $2,187.00 (8,748/4). The weekly benefits would amount to $87.48 (2,187.00/25). Annual cost would be $4,548.96 ($87.48 x 52).*

TOTAL COST UNDER NO JOB-SHARING

The cost of a full-time public employee with a family and a totally dependent UI recipient will serve as the basis for comparing the cost of these individuals under several job-sharing conditions. In determining the cost when no job-sharing occurs, the following cost factors were considered.

- The cost of UI recipients (both a former and a former non-public employee) whose benefits are determined upon the previous earned salary; and
- The cost of one full-time public employee with a family (cost to include salary, less state taxes as applicable, and job-related fringe benefits).

The costs for a full-time public employee and the two categories of UI recipients were developed in previous sections of this Chapter. In the case of the full-time janitor with dependents, the annual cost to the state/county governments was determined to be $12,382.87 (see TABLE 7.2). The costs for providing the UI benefits to a former public employee and a former non-public employee have been calculated to be $4,548.96 and $0, respectively (see TABLE 7.5). In TABLE 7.6 two non-job-sharing models are summarized.

TABLE 7.6

COMPARATIVE COSTS: FULL-TIME PUBLIC EMPLOYEE VERSUS UI RECIPIENT (FORMER PUBLIC EMPLOYEE AND FORMER NON-PUBLIC EMPLOYEE)

MODEL I		MODEL II	
UI recipient (former public employee)	$ 4,548.96	UI recipient (former non-public employee	$ .00
Full-time public employee (with a family)	12,382.87	Full-time public employee (with a family)	12,382.87
Total Cost	$16,931.83		$12,382.87

COSTS UNDER JOB-SHARING

In determining the cost impact of a totally dependent UI recipient who accepts a job-sharing position with a full-time public employee, the following cost factors were considered:

Public employee sharing a janitor position

- The "job-sharing" salary;
- The state tax liability/credit, as applicable; and
- The cost of job-related fringe benefits.

Totally dependent UI recipient "job-sharing"

- The "job-sharing" salary;
- The state tax liability/credit, as applicable;
- The cost of job-related fringe benefits; and
- The supplemental UI benefits, as applicable (see Appendix II for sample calculations).

Based on the cost factors listed above, the cost impact of both a former public employee (Model I) and a former non-public

employee (Model II) sharing a janitor position with the incumbent public employee under various hypothetical job-sharing models was determined. The results of the cost analysis are summarized in TABLE 7.7.

TABLE 7.7

TOTAL COST OF AN INCUMBENT PUBLIC EMPLOYEE WITH DEPENDENTS JOB-SHARING WITH A UI RECIPIENT

	20/20 Same Salary Model	20/20 Lower Salary Model	21/19 Same Salary Model	21/19 Lower Salary Model
MODEL I				
Cost of Incumbent Public Employee Job-Sharing	$ 6,722.52	$ 6,722.52	$ 6,983.40	$ 6,983.40
Cost of Former Public Employee UI Recipient Job-Sharing	7,000.[illegible]	6,782.72	5,604.32	5,514.68
Total Cost	$13,723.40	$13,505.24	$12,587.72	$12,498.08
MODEL II				
Cost of I[illegible]umbent Public Employee Job-Sharing	$ 6,722.52	$ 6,722.52	$ 6,983.40	$ 6,983.40
Cost of Former Non-Public UI Recipient Job-Sharing	6,722.52	5,927.76	5,106.36	4,469.76
Total Cost	$13,445.04	$12,650.28	$12,089.76	$11,453.16

CONCLUSIONS CONCERNING JOB-SHARING INVOLVING UI RECIPIENTS

A review of TABLE 7.7 shows that the cost of Model I depicting the job-sharing between an incumbent public employee and a former public employee UI recipient is greater than the cost of Model II which represents job-sharing between an incumbent public employee and a former non-public employee UI recipient. The cost difference between the models is attributed to the supplemental UI benefits including the work incentive payment (see Appendix E for details) paid to the former public employee UI recipient which is financed by the state/county governments. While the former non-public employee UI recipient also receives the UI supplemental benefits, the cost is not reflected in the Table since the amount of the benefit is charged to the recipient's former employer UI Trust Fund Reserve.

COST IMPACT SUMMARY: JOB-SHARING VERSUS NO JOB-SHARING

This section summarizes the cost impact of UI recipients, both a former public and non-public employee, sharing a janitor position with an incumbent public employee. In conducting the analysis, the costs associated with the two non-job-sharing models (see TABLE 7.6) were used as the benchmark cost figures for comparing the costs associated with the various hypothetical job-sharing models developed by the Bureau (see TABLE 7.7). The results of the comparative analysis are presented in TABLE 7.8.

TABLE 7.8

COMPARATIVE COST ANALYSIS

A. PUBLIC EMPLOYEE AND FORMER PUBLIC EMPLOYEE UI RECIPIENT

	UNDER NO JOB-SHARING (Benchmark Cost)	UNDER JOB-SHARING			
		20/20 Same Salary Model	20/20 Lower Salary Model	21/19 Same Salary Model	21/19 Lower Salary Model
Total Cost	$16,931.83	$13,723.40	$13,505.24	$12,587.72	$12,498.08
Difference From Standard ($)		(3,208.43)	(3,436.59)	(4,344.11)	(4,433.75)
Difference From Standard (%)		(19%)	(20%)	(26%)	(26%)

B. PUBLIC EMPLOYEE AND FORMER NON-PUBLIC EMPLOYEE UI RECIPIENT

	UNDER NO JOB-SHARING (Benchmark Cost)	UNDER JOB-SHARING			
		20/20 Same Salary Model	20/20 Lower Salary Model	21/19 Same Salary Model	21/19 Lower Salary Model
Total Cost	$12,382.87	$13,445.03	$12,650.28	$12,089.76	$11,453.16
Difference From Standard ($)		+1,062.16	+267.41	(293.11)	(929.71)
Difference From Standard (%)		+9%	+2%	(2%)	(8%)

A review of TABLE 7.8 shows that job-sharing between an incumbent public employee and a former public employee UI recipient results in cost reductions to the state/county governments under all of the different job-sharing models examined. The resulting cost savings is due to the combination of the following factors. First, the full-time incumbent employee's salary and fringe benefit payments are divided between the two part-time employees under job-sharing; and second, the job-sharing salary received by the UI recipient drastically reduces the level of the UI benefits thereby resulting in an overall cost reduction to the state/county governments.

With respect to job-sharing between an incumbent public employee and a former non-public employee UI recipient, TABLE 7.8B shows that cost savings occur in the 21/19 job-sharing models but cost increases occur in the 20/20 job-sharing models. In analyzing this phenomena, it should be remembered that the benchmark cost for this model consists of only the cost of a full-time public employee since there are no state/county costs associated with the provision of UI benefits to a former non-public employee. (See TABLE 7.6 and TABLES 7.8A and B). Accordingly, job-sharing cannot result in cost savings in this area as in the job-sharing models previously discussed in TABLE 7.8A. The cost reductions associated with the 21/19 job-sharing models in TABLE 7.8B are, therefore, primarily due to the fact that fringe benefits are not provided to the secondary employee (the UI recipient) in these

models. Conversely, the cost increases in the 20/20 models are primarily due to the increased fringe benefit contributions by the state/county governments to cover the two part-time employees.

SUMMARY AND GENERAL CONCLUSIONS

In this Chapter, the cost impact of an incumbent public employee and a public assistance recipient or a UI recipient sharing a janitor position was examined. The cost assessment covered various job-sharing models including the 20/20 same salary model (hours, salaries and fringe benefits are essentially identical for both part-time employees), the 20/20 lower salary model (hours of work are divided equally but the secondary employee receives lower salary and fringe benefits commensurate with his salary), the 21/19 same salary model (the secondary employee works nineteen hours a week, at the same salary level, and receives minimal fringe benefits) and the 21/19 lower salary model (the secondary employee works nineteen hours, at a lower salary level and receives minimal fringe benefits). The Bureau's analysis indicates that the accepting of a job-sharing position by these individuals generally results in a cost savings to the state/county governments in most of the job-sharing models examined. The cost reductions under the different job-sharing models ranged from a high of twenty-six per cent to a low of two per cent. Only in two of the job-sharing scenarios examined, i.e., the

20/20 models where the secondary job-sharing employee is a former non-public employee receiving UI benefits, did cost increases occur. The cost increases amounted to nine per cent and two per cent for the 20/20 same salary model and 20/20 lower salary model, respectively.

While the Bureau's analysis suggests that job-sharing may be cost effective from the state/county point of view, the results should not be taken to imply that this study has concluded that the implementation of job-sharing is feasible from a cost/fiscal standpoint to state or local government in Hawaii. It should be remembered that the analysis conducted in this study is limited in a number of ways. The limitations include the following:

(1) The analysis is based on hypothetical scenarios designed to demonstrate the maximum and minimum potential costs;

(2) The job-sharing models were developed under a large set of assumptions which may or may not accurately reflect the actual situation;

(3) The analysis relating to the public assistance and UI recipients included only one job classification; and

(4) The analysis did not include, due to data constraints, many contingent costs.

Due to the limitations noted, the analysis presented in this Chapter should not be viewed as a final completed study on the cost impact. It should be viewed instead as an initial effort to identify and quantify some of the cost factors

relevant to the question of the economic impact of implementing job-sharing. In summary, it appears clearly apparent that additional data must be gathered before a more refined analysis can be conducted to ascertain with greater clarity and preciseness, the true fiscal impact and other relevant concerns as relate to (1) the feasibility of, or (2) the actual implementation of job-sharing in Hawaii state government and the several counties.

CHAPTER 8

SUMMARY AND CONCLUSIONS/CAVEAT

The foregoing Chapters in Part II have provided some basic background information on the concept of job-sharing as it applies to public employment in Hawaii. In Chapter 4, the Bureau presented a suggested framework to determine the feasibility of implementing the job-sharing concept in Hawaii's public sector. The suggested framework consists of three major phases including the basic data gathering phase, the calculation and analysis phase, and the final evaluation phase in which the criteria is utilized to determine the feasibility of job-sharing. The suggested criteria for this final step includes interest, cost, efficiency and effectiveness, and the accomplishment of the program objective.

In Chapter 5, the Bureau identified the statutorily prescribed fringe benefits currently provided to public employees. The Bureau also outlined the minimum employee eligibility requirements, the employer's contribution for each benefit, and other miscellaneous information. A major finding in the Chapter was that although the minimum requirement varied for the different benefits, working more than twenty hours a week and for a duration longer than six months qualified an employee for most of the principal fringe benefits.

A review of the literature indicated that fiscal impact information relating to the implementation of job-sharing is essentially non-existent. To obtain some initial cost data, the Bureau, in Chapter 6, developed various hypothetical job-sharing models to generate some specific cost data. The models were designed to depict and compare the cost impact of sharing various jobs by employees both with and without dependents and to determine the minimum and maximum costs. In generating the cost data, only direct employer costs (e.g., vacation/sick leave and retirement system costs) were considered. Other costs such as administrative overhead costs and other contingent costs were not included in the analysis. One of the major findings in the analysis was that with the exception of but one of the job-sharing models, job-sharing in the employment categories examined appears to reduce the direct fiscal/economic costs to the employer (i.e., state or county government) when compared to the standard model (i.e., the cost of hiring one full-time employee). Only the 20/20 same salary model (i.e., the model in which working hours, salary, and fringe benefits are shared equally between two employees) was more costly to government than the standard model.

In Chapter 7, the Bureau examined the cost impact of job-sharing in cases where the secondary employee accepting the position was a public assistance recipient or an unemployment insurance recipient. The analysis indicated that there will

generally be an overall reduction in cost to the State and counties should these individuals accept job-sharing positions. The findings also indicate that there may be attractive incentives in terms of dollars for public assistance recipients to actively and diligently pursue part-time employment under a job-sharing program.

CAVEAT

While it appears that job-sharing in the employment categories examined may reduce the direct fiscal/economic cost to the State and counties, the results should not be taken to imply that the Bureau's study has concluded that implementing job-sharing would be cost effective for these employment categories. The employment categories selected for the Bureau's analysis were based primarily on those that the literature indicates as the jobs most amenable to job-sharing. Furthermore, the analysis conducted on the employment categories was based on hypothetical job-sharing models which were developed under a large set of assumptions which the Bureau attempted to make explicit at the commencement of the study.

The employment categories, the models, and much of the cost data resulting from the study models are only illustrative and may not be accurate representations of the actual situation. (A more accurate analysis must await the results of interest surveys recommended in Chapter 4). Therefore, to the

degree that the assumptions and input data of the models vary from actual real life situations, the conclusions on the cost impact of job-sharing may also vary.

It should be further noted that the Bureau's illustrative analysis examined only the direct and quantifiable salary and fringe benefit costs. Other costs including administrative overhead cost and other contingent benefit costs were not considered in this analysis. It may be necessary to consider these costs in the analysis since they may be quite substantial. For example, if job-sharing increases the work force, it may be necessary to add more staff to supervise and handle the increased paper work of the enlarged work force.

While the cost of implementing job-sharing should be a major criterion in determining feasibility, the decision to implement the practice cannot be made on the basis of economic factors alone. Other factors must also be examined and analyzed, including, but not limited to, the following:

(1) *Efficiency and Effectiveness* - Would the implementation of job-sharing in the public sector increase efficiency and effectiveness or adversely affect the operations and provision of government services?

(2) *Interest* - Are incumbent public employees and prospective public employees interested in job-sharing? Are the types of jobs incumbent public employees are willing to share, the types of jobs the prospective public employees are interested in?

(3) *Meeting a Major Program Objective* - Will the implementation of job-sharing reduce the rate of unemployment or the number of persons on public assistance?

The answers to the questions posed must await the gathering and analysis of basic data identified in Chapter 4.

SUMMARY

In final summary, it is apparent that much more work has to be done in order to determine the feasibility of implementing job-sharing. The Bureau's report represents an initial effort to identify factors to consider and to present illustrative calculations and other pertinent data in order to adequately address the question "Should job-sharing be implemented in Hawaii?"

PART III

APPENDICES

LIST OF APPENDICES

1. Appendix A (Senate Resolution No. 335, S.D. 1 of 1976)
2. Appendix B (House Resolution No. 406, H.D. 1 of 1977)
3. Appendix C (List of Resource Persons Consulted)
4. Appendix D (Methodology To Determine The Cost Of A Public Assistance Recipient Sharing A Job)
5. Appendix E (Determining The Supplemental Unemployment Insurance (UI) Benefits)
6. Appendix F (General Bibliography On Job-Sharing)
7. Exhibit 1 (Chronology Of Job-Sharing)
8. Exhibit 2 (Report On Part-Time Employment In Maryland State Government)
9. Exhibit 3 (Letter From Director Of Personnel Services, Hawaii County, Concerning Job-Sharing)
10. Exhibit 4 (Letter From Evangeline W. Cooper To Lois Tyler Concerning Job-Sharing)

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S.R. NO. 335, S.D. 1

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SENATE RESOLUTION

REQUESTING A FEASIBILITY STUDY OF JOB SHARING BY GOVERNMENT EMPLOYEES.

WHEREAS, due to the instability of an economy in crisis, there are many young people in Hawaii, trained and eager to work, who cannot obtain employment or are underemployed; and

WHEREAS, economic downturn has also swollen the ranks of the unemployed with trained and experienced job seekers forced to rely upon public assistance for support until conditions change; and

WHEREAS, in the state and county civil service there may be working-mothers or other employees now working full time who might prefer to work half-time; and

WHEREAS, there may also be employees in the civil service, now working full-time but nearing retirement, who might prefer to work half-time if incentives are provided; and

WHEREAS, the policy of the Senate and the public interest in maximizing the talent and training of the people of Hawaii, as well as providing income and conserving state resources in a time of economic adversity might well be served by a voluntary civil service job sharing program, if practical and sufficiently attractive to people concerned; now, therefore,

BE IT RESOLVED by the Senate of the Eighth Legislature of the State of Hawaii, Regular Session of 1976, that the Legislative Reference Bureau is requested, in cooperation with the Department of Personnel Services, the Department of Labor and Industrial Relations and the Department of Planning and Economic Development, and in coordination with the personnel departments of the several counties and other appropriate public and private agencies, to study the feasibility, including costs and benefits, of implementing a policy permitting voluntary part-time employment, as part of a job sharing program, of government employees on a regular and continuing basis; and

BE IT FURTHER RESOLVED that the study include: a determination of the actual extent of interest in such a part-time job sharing option among state and county employees and unemployed

job seekers; identification of factors which stimulate or limit incentive among employees and job seekers for such a proposal; and formulation of suggested measures to increase incentive for and minimize the costs of a job sharing program; and

BE IT FURTHER RESOLVED that the Department of Personnel Services report its findings and recommendations to the Legislature twenty days before the convening of the Regular Session of 1977; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Governor, the Director of Personnel Services, the Director of Labor and Industrial Relations, the Director of Planning and Economic Development, and the mayors and the directors of personnel services of the several counties.

(To be made one and ten copies) Appendix B

HOUSE OF REPRESENTATIVES
NINTH LEGISLATURE, 1977
STATE OF HAWAII

H.R. NO. 406 H.D. 1

HOUSE RESOLUTION

REQUESTING THE DEPARTMENT OF PERSONNEL SERVICES TO CONDUCT A FEASIBILITY STUDY ON THE CONCEPT OF JOB SHARING.

WHEREAS, Hawaii, as with the rest of the nation, must grapple with the problem of a high rate of unemployment; and

WHEREAS, in order to alleviate this serious problem, the State must explore all possible avenues of creating jobs, even if they mean creating jobs only on a temporary basis; and

WHEREAS, one avenue is the concept of job sharing in public employment positions--where one will share with another the same job during a given period on a contractual basis; and

WHEREAS, present public employees who may be interested in sharing their positions include:

(1) Working mothers with young children;

(2) Employees nearing retirement who may want to cut down on the number of their working hours;

(3) Employees with health problems who may find full-time work too taxing; and

(4) Employees who desire more time for further training or education; and

WHEREAS, all available information must be considered before this concept can be put into effect in a manner fair and equitable to those benefiting from and those affected by job sharing; now, therefore,

BE IT RESOLVED by the House of Representatives of the Ninth Legislature of the State of Hawaii, Regular Session of 1977 that it does hereby request the Department of Personnel Services, with the assistance of all state departments to conduct a feasibility study on the concept of job sharing, which study shall include:

(1) A study of existing positions which could be shared on a voluntary basis;

(2) A survey of near retirement personnel who may be interested in job sharing;

(3) A study of future positions which could be made available for job sharing;

(4) A study of employee benefits for employees who share positions;

(5) A study of how service time could be credited for employees who share positions; and

(6) A study of all other factors and implications which should be considered in implementing the job-sharing concept.

BE IT FURTHER RESOLVED that the Department of Personnel Service submit a report of its findings and recommendations to this House at least twenty days prior to the convening of the 1978 session; and

BE IT FURTHER RESOLVED that duly certified copies of this Resolution be sent to the Governor of the State of Hawaii, the Chief Justice of the Hawaii Supreme Court, the State Comptroller, the Chairman of the Board of Agriculture, the State Attorney General, the Director of Budget and Finance, the State Adjutant General, the Superintendent of Education, the Chairman of the Hawaiian Homes Lands Commission, the Director of Health, the Director of Labor and Industrial Relations, the Chairman of the Board of Land and Natural Resources, the Director of Personnel Services, the Director of Planning and Economic Development, the Director of Regulatory Agencies, the Director of Social Services and Housing, the Director of Taxation, the Director of Transportation and the President of the University of Hawaii.

Appendix C

LIST OF RESOURCE PERSONS CONSULTED*

Joshua C. Agsalud, Director
Department of Labor and
Industrial Relations
State of Hawaii

Donald Botelho, Director
Department of Personnel Services
State of Hawaii

Walter W. K. Choy, Director
Hawaii Office of Economic Opportunity
State of Hawaii

Evangeline W. Cooper
Program Specialist
Unemployment Insurance Division
Department of Labor and
Industrial Relations
State of Hawaii

Loretta K. Fukuda, Division Chief
Employees Services
Department of Personnel Services
State of Hawaii

Robert C. Gilkey, Deputy Director
Department of Labor and
Industrial Relations
State of Hawaii

Dennis Goda, Division Chief
Budget, Planning, and Management
Division
Department of Budget and Finance
State of Hawaii

Ernest Hanaumi, Chief
Claims and Tax Processing Section
Unemployment Insurance Division
Department of Labor and
Industrial Relations
State of Hawaii

Cenric S. K. Ho, Administrator
Hawaii Public Employees Health Fund
Department of Budget and Finance
State of Hawaii

Diana Kaapu, Chief
Classification Branch
Classification and Compensation
Review Division
Department of Personnel Services
State of Hawaii

Clement L. Kamalu, Chief
Classification and Compensation
Review Division
Department of Personnel Services
State of Hawaii

Kazuo Kiyota
Assistant Pacific Area Manager
Social Security Administration
U.S. Department of Health,
Education, and Welfare

Florence Ko, Staff Specialist
Employee Benefits
Office of Personnel Services
Administration
Department of Education
State of Hawaii

Kim Tet Lee, Administrator
Employees Retirement System
Department of Budget and Finance
State of Hawaii

Joseph S. Matsukawa, Director
Personnel Management Certification
and Development Branch
Office of Personnel Services
Administration
Department of Education
State of Hawaii

Elias Matthews, Division Chief
Accounting Division
Department of Accounting and
General Services
State of Hawaii

Thomas Mayeda, Administrator
Unemployment Insurance Division
Department of Labor and
Industrial Relations
State of Hawaii

Donald Nugent, Staff Specialist
Certification Personnel
Management Section
Office of Personnel Services
Administration
Department of Education
State of Hawaii

Helen Onoye, Administrator
Income Maintenance Services
Public Welfare Division
Department of Social Services
and Housing
State of Hawaii

Isami Osato, Budget Analyst
Technical Services Office
Budget, Planning, and Management
Division
Department of Budget and Finance
State of Hawaii

Gerald Sada, Administrator
Classified Personnel Section
Office of Personnel Services
Administration
Department of Education
State of Hawaii

James Sato
Personnel Management Specialist
Department of Civil Service
City and County of Honolulu

Edward Silva, Director
Department of Personnel Services
County of Hawaii

Stanley Y. H. Siu
Assistant Administrator
Employees Retirement System
Department of Budget and Finance
State of Hawaii

Edwin Tam, Administrator
Public Welfare Division
Department of Social Services
and Housing
State of Hawaii

Lois Tyler, Co-Chairman
Committee for Job-Sharing
Honolulu, Hawaii

Orlando K. Watanabe, Administrator
Disability Compensation Insurance
Division
Department of Labor and
Industrial Relations
State of Hawaii

Wayne J. Yamasaki, Deputy Director
Department of Personnel Services
State of Hawaii

Titus Yap, Chief
Personnel Management Auditing
and Reporting Branch
Department of Personnel Services
State of Hawaii

Donald K. Young
Personnel Staffing Specialist
Honolulu Area Office
U.S. Civil Service Commission

**Titles as shown were being assumed as of the date of contact/interview.*

Appendix D

METHODOLOGY TO DETERMINE THE COST OF A PUBLIC ASSISTANCE RECIPIENT SHARING A JOB

METHODOLOGY I: General Assistance (GA) Recipient

Determining GA Money Payments Benefits

Step 1 - determine net income:

Basic Formula

Monthly Salary - Payroll Deductions - Work-Related Expenses = Net Income

Step 2 - determine supplemental benefits, if applicable:

If the determined net income is less than the maximum allowance (depending on family size) and assuming that the individual is paying the maximum shelter allowance, the public assistance recipient will receive a supplemental public assistance allowance. The allowance will be the difference between the maximum monthly allowance and the determined net income.

NOTE: Monthly Salary includes the gross monthly salary earned while job-sharing.

Payroll Deductions include Federal and State tax withholdings, and contributions to fringe benefits such as the State Retirement System and the Public Employees Health Fund, if eligible.

Work-Related Expenses include reasonable work expenses such as tools and equipment, union dues, transportation, etc. Expenses shall not exceed $31.00.*

Sample Calculation

The following is an example of a totally dependent public assistance recipient (individual with no dependent) who job-shares under the 20/20 Same Salary Model:

Step 1 - determine net income:

**Based upon figures utilized by the Department of Social Services and Housing.*

Monthly Job-Sharing Salary*		$364.50
Payroll Deductions:		
Federal Tax	$31.40	
State Tax	13.60	
Retirement (6% of gross)	21.87	
Post-Retirement (1.8% of gross)	6.56	
FICA (5.85% of gross)	21.32	
Public Employees Health Fund	10.00	
		-$104.75
Work-Related Expenses		- 33.00
Net Income to determine GA money payment benefits		$ 226.75

Step 2 - determine supplemental public assistance benefits:

The monthly maximum allowance, as determined by the State Department of Social Services and Housing Rules and Regulations is $283.00 a month; therefore, the individual whose determined net income is $226.75 will receive an additional monthly supplement of $56.25. ($283.00 - $226.75 = $56.25)

Determining Food Stamp Benefits for GA Recipients

Basic Formula (3 steps):

(1) (Monthly Salary + Public Assistance Supplement, if any) - Payroll Deductions - Work-Related Expenses = Net Income.

(2) 1/3 of the net income determined above is considered to be the individual's rent standard. If the rent standard is less than the maximum shelter allowance established by statutes, the difference between the maximum shelter allowance less the rent standard can also be deducted from the net income.

(3) The resulting net income calculated in step 2 is then utilized to determine the food stamp bonus which the recipient is entitled to.

**The salary is that of an individual sharing a janitor position under the 20/20 Same Salary Model. See Chapter 6.*

Sample Calculation

The following is an example of a GA recipient who job-shares under the 20/20 Same Salary Model:

Step (1)	Monthly Salary	$364.50
	Public Assistance Supplement	+56.25
		$420.75
	Payroll Deductions	-104.75
	Work-Related Expenses	- 33.00
		$283.00 = Net Income
Step (2)	Maximum Shelter Allowance	$175.00
	Rent Standard ($283 x 1/3)	-94.32
		$ 80.68

Therefore; $283.00 Net Income
-80.68 (Maximum Shelter - Rent Standard)

$202.32 Net Income in determining the food stamp bonus

Step (3) The chart provided by the Public Welfare Division of the Hawaii State Department of Social Services and Housing indicates that a net income of $202.32 will entitle the recipient to a $21.00 a month bonus.

Determining No-Fault Insurance Benefits to GA Recipients

No-fault insurance benefits and services are provided to all licensed drivers who qualify for money payments provided however, that the drivers are registered owners of motor vehicles. The State contributes $216.00 a year in premiums to cover the individual's benefits.

Summary of Total Cost - GA Recipient

Based upon the cost factors considered above and the job-sharing salary received by a GA recipient employed as a janitor under the 20/20 Same Salary Model, the total cost to the state/county government would be as follows:

Job-Sharing Salary ($364.50 x 12)	$4,374.00
State Taxes (paid by individual)	(-114.00)
Fringe Benefits ($157.61 x 12)	1,891.32
Supplemental Public Assistance Benefits	
Money Payments ($56.25 x 12)	675.00
Food Stamp Bonus ($21.00 x 12)	252.00
No-Fault Insurance	216.00
Total Cost	$7,294.32

METHODOLOGY II: AFDC-UP Recipient with Three Dependents

Determining AFDC-UP Money Payments Benefits

Step 1 - determine net income:

Basic Formula

(a) Disregard the first $5.00 of the gross earned job-sharing salary;

(b) Subtract $30.00 from the remaining amount;

(c) Subtract 1/3 of the remaining amount;

(d) Subtract mandatory payroll deductions (same as GA); and finally,

(e) Subtract work-related expenses (same as GA).

Step 2 - determine supplemental public assistance benefits, if applicable:

If the determined net income is less than the maximum allowance (depending on family size) and assuming that the individual is paying the maximum shelter allowance, the public assistance recipient will receive a supplemental public assistance allowance. The allowance will be the difference of the maximum monthly allowance and the determined net income.

Sample Calculation

The following is an example of a totally dependent public assistance recipient (individual with 3 dependents) who job-shares a janitor position under the 20/20 Same Salary Model:

Step 1 - determine net income:

Monthly Salary		$364.50
Disregarded Income		(-5.00)
		$359.50
Disregard first $30.00		(-30.00)
		$329.50
Disregard 1/3 of remaining income ($329.50 x 1/3 = $109.82)		(-109.82)
		$219.68
Payroll Deductions:		
Federal Tax	$ .00	
State Tax	2.30	
Retirement (6% of gross)	21.87	
Post-Retirement (1.8% of gross)	6.56	
FICA (5.85% of gross)	21.32	
Public Employees Health Fund	30.00	
		(-82.05)
Work-Related Expenses		(-33.00)
Net income to determine public assistance benefits (AFDC-UP)		$104.63

Step 2 - determine supplemental public assistance benefits:

The monthly maximum allowance, as determined by the State Department of Social Services and Housing Rules and Regulations is $514.00 a month; therefore, the individual whose determined net income is $104.63 will receive an additional monthly supplement of $409.37 ($514.00 - $104.63 = $409.37)

Determining Food Stamp Benefits for AFDC-UP Recipients

Basic Formula (3 steps):

(1) (Monthly Salary + Public Assistance Supplement, if any) - Payroll Deductions - Work-Related Expenses = Net Income.

(2) 1/3 of the net income determined above is considered to be the individual's rent standard. If the rent standard is less than the maximum shelter allowance established by statutes, the difference between the maximum shelter allowance less the rent standard can also be deducted from the net income.

(3) The net income is then utilized to determine the food stamp bonus which the recipient is entitled to.

Sample Calculation

An example of an AFDC-UP recipient who job-shares under the 20/20 Same Salary Model:

Step (1)	Monthly Salary	$354.50
	Public Assistance Supplement	+409.37
		$773.87
	Payroll Deductions	(-82.05)
	Work-Related Expenses	(-33.00)
		$658.82 = Net Income
Step (2)	Maximum Shelter Allowance	$265.00
	Rent Standard ($658.82 x 1/3)	(-219.58)
		$ 45.42

Therefore; $658.82 Net Income
(-45.42) (Maximum Shelter - Rent Standard)

$613.40 Net income in determining the food stamp bonus

Step (3) The chart provided by the Public Welfare Division of the Hawaii State Department of Social Services and Housing indicates that a net income of $613.40 will entitle the recipient to a $46.00 a month bonus.

Determining No-Fault Insurance Benefits to AFDC-UP Recipients

No-fault insurance benefits and services are provided to all licensed drivers who qualify for money payments provided however, that the drivers are registered owners of motor vehicles. The State contributes $216.00 a year in premiums to cover the benefit.

Summary of Total Cost - AFDC-UP Recipient

Based upon the cost factors considered above, the total annual cost of an AFDC-UP recipient with three dependents who shares a janitor position under the 20/20 Same Salary Model would be as follows:

Salary ($364.50 x 12)	$ 4,374.00
State Taxes (tax credit paid by the State)	138.96
Fringe Benefits ($184.13 x 12)	2,209.56
Supplemental Public Assistance Benefits:	
Money Payments ($409.37 x 12)	4,912.44
Food Stamp Bonus ($46.00 x 12)	552.00
No-Fault Insurance	216.00
Total Cost	$12,402.96

Appendix E

DETERMINING THE SUPPLEMENTAL UNEMPLOYMENT INSURANCE (UI) BENEFITS

A UI recipient accepting a job-sharing position may be eligible for supplemental UI benefits under certain conditions. An individual may be entitled to the supplemental benefits if the job-related salary level is lower than the UI benefit level prior to employment. In these cases, the additional benefits provided include the difference between the UI benefits received prior to employment and the salary received upon employment, and a two dollar a week job acceptance incentive. If, however, the weekly job-sharing salary exceeds the individual's weekly UI benefit prior to employment, there would be no supplemental benefits provided.

In the table below, the supplemental UI benefits are calculated for a UI recipient who accepts a janitor position under the various hypothetical job-sharing models examined in this report. The columns of the table identify the following:

I. The job-sharing models considered.

II. The annual UI benefits provided prior to employment.

III. The annual salary under the different job-sharing models.

IV. The difference between the UI benefits and the salary (column II - column III).

V. The annual work incentive payments.

VI. The total supplemental UI benefits (column IV + column V).

SUPPLEMENTAL UI BENEFITS UNDER JOB-SHARING

I Job-Sharing Models	II Annual UI Benefits	III Annual Salary Under Job-Sharing	IV Diff. of Salary to Benefits	V Annual Work Incentive Payments	VI Total UI Supplemental Payments
20/20 Same Salary	$4,548.96	$4,374.00	$174.36	$104.00	$ 278.36
20/20 Lower Salary	4,548.96	3,798.00	750.96	104.00	854.96
21/19 Same Salary	4,548.96	4,155.00	393.96	104.00	497.96
21/19 Lower Salary	4,548.96	3,608.04	940.92	104.00	1,044.92

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**Includes various reference materials examined or utilized during study period.*

Exhibit 1

NEW WAYS TO WORK
457 Kingsley Avenue
Palo Alto, CA 94301
(415) 321-9675

CHRONOLOGY OF JOB SHARING

1968 Catalyst sponsors studies of permanent part-time teachers and permanent part-time social workers.

Catalyst position paper defines terms: shared, paired, split level permanent part-time, flexible time, etc.

1970 New Time, Inc., a private placement agency, opens. They receive national publicity on the positive benefits of using part-time personnel.

1972 New Ways to Work in Palo Alto begins to give workshops on flexible scheduling, permanent part-time, job sharing.

1973 Berkeley City Council votes to allow city employees the option of sharing their jobs or working as permanent part-time workers.

Sen. Tunney and Rep. Burke introduce legislation in the Senate and the House on Flexible Hours Employment. (The bills have since been re-titled Career Part-Time Employment.)

Palo Alto Unified School District begins to allow the sharing of contracts if teachers submit a well thought out proposal.

1974 Instances of job sharing in California begin to increase and are documented:

Director of Stanford University's ARLO program
Director of DeAnza Junior College's program for Handicapped Students
Naturalist, City of Palo Alto
Director of Extended Resources Center, PAUSD
Director of JAC program, U.S. Department of Labor.

Tunney bill comes out of committee with recommendation to pass.

City of Palo Alto decides to use job sharing to implement its affirmative action plan.

1975 Palo Alto School District offers option of part-time to teachers over 55.

Tunney bill passed by Senate, sent to House (HR. 7124)

Maryland and Massachusetts pass similar legislation.

Senator Omar Rains (Joint Committee on Legal Equality) introduces legislation in the State of California senate which would create and expand permanent part-time employment opportunities and shared jobs for state employees (SB 570).

CETA funds New Ways to Work pilot project on job sharing.

League of California Cities endorses concept of job sharing.

1976 Senate Subcommittee on Employment, Poverty and Migratory Labor hears testimony from New Ways to Work on Job Sharing.

Workers organizations negotiate for Job Sharing as an alternative to layoffs.

Sylvia Porter discusses Job Sharing in her nationally syndicated column.

Source: JOB SHARING (Questions Employers Ask About Job Sharing), New Ways to Work, 457 Kingsley Avenue, Palo Alto, California 94301, attachment.

Exhibit 2

REPORT ON PART-TIME EMPLOYMENT IN MARYLAND STATE GOVERNMENT

AUGUST, 1976

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I. Preface

In recent years there has been a great deal of discussion, study and experimentation concerning non-traditional work schedules. Concepts of tandom, flexible hours and part-time employment have been developed as alternatives to full-time employment for the benefit of both employers and employees. Since man is a social being, the "healthy" organization must afford individuals within the organization the opportunity to fulfill their tendencies and capacities for social growth. Although these tendencies can never be completely maximized over a period of time and in balance, they must be approached. An employee's job performance is the product of his ability times his motivation and satisfaction of social needs is a principal motivator of behavior. Therefore, satisfaction of social needs would seem to offer the best opportunity to motivate employees to improved job performance.

Part-time employment is envisioned as one approach to satisfying social needs of employees. With life styles changing rapidly and radically, traditional employment practices must be modified and adapted. Employment must be made available for persons who cannot or do not desire to work full-time. Experience with part-time employment programs in government and industry has shown that employers can benefit from them as well in establishing efficient staffing patterns and maximizing the utilization of available necessary manpower.

Resistance to part-time employment has been based on two principal arguments, that benefits for part-time workers are costly and working part-time is abnormal. Generally, the cost argument is inaccurate in that prorating benefits for part-time workers does not exceed the cost of benefits that a full-time worker would be entitled to. The argument that a part-time work schedule is abnormal or not serious should also be discounted. As recently as the 1920's a 10-hour day, 6-day week was common practice. In that context, today's definition of full-time, an 8-hour day, 5-day a week, would be viewed as part-time and abnormal.

In response to all of this, the Maryland General Assembly in 1975 enacted legislation establishing as State policy that certain percentages of the total number of positions in the work force be established to provide part-time employment opportunities. Part-time employment in State service preexisted this law, but had not been promoted or encouraged in the manner dictated by the law. The remainder of this report is a synopsis of the highlights of the law and how it will be administered.

II. The Part-time Employment Law

Provisions for permanent part-time employment were enacted as part of the State Merit System Law by the General Assembly in 1975 and amended in 1976 (Sections 50 and 51 of Article 64A of the Maryland Annotated Code.) There are six major areas included in this law as follows:

1. In scope, it covers all departments and agencies in the Executive Branch of State government.

2. It defines permanent part-time employment as working at least two days per workweek for at least 50% but not more that 75% of full-time. Employees in such part-time positions are included under the State Merit System.

3. It mandates that 1% of positions at all levels in all executive agencies be available for part-time employment during the first year after the law took effect and an additional 1% per year thereafter, not to exceed 5%. It also provides that the Secretary of Personnel can waive these requirements for a given agency, if it is found that compliance would materially impair an agency's ability to perform its mission, would impair an agency's efficiency or when an agency is undergoing a reduction in force.

4. It requires the State Department of Personnel to develop, promote and encourage part-time employment programs for executive agencies.

5. Agencies are required to formally report quarterly to the Secretary of Personnel on their efforts to promote and encourage the program and their progress toward achieving the required levels of part-time employment. The Secretary of Personnel reports annually to the General Assembly in the same manner.

6. Persons employed in part-time positions receive, on a pro rata basis, all benefits normally available to full-time employees in similar position, grade and length of service.

III. How Part-time Positions are Created

The State's agencies may create part-time positions through the normal budget process. The Department of Personnel plays no role in establishing positions for other agencies other than the determination of proper classifications. However, we are in the process of apprising the agencies of their obligation under the law to create such positions. (See Appendix 1) The agencies have been advised of the fact that existing full-time positions can be administratively divided into part-time positions by the use of the MS 310 Status Document. Positions can also be established between sessions of the General Assembly by action of the Board of Public Works upon requests of the agencies.

IV. How Part-time Positions are Filled

Generally, part-time positions are filled by use of the same Merit System selection process as is used for filling full-time positions. As part-time positions are available, advertising will note this availability. Procedures preexisted passage of this law and will continue to be followed to give pro rata credit for part-time experience in determining whether or not applicants qualify for classifications applied for. The same tests are used for part-time and full-time positions. Candidates appearing for tests are advised that they may choose to be considered for full-time positions only, part-time positions only, or for both. Names appearing on eligible lists will be certified for full-time employment. However, statements beneath a candidate's name will note if they are also available for part-time employment or part-time only. (See Appendix 2)

Promotion of part-time job opportunities will be included in the General Information Sheet sent to all persons applying for State employment. This will also be publicized in our monthly information sheets sent to all State agencies.

V. How Benefits of Part-time Employees are Proposed to be Administered.

For the past two months, a committee of staff of the Department of Personnel has met twice a week to revise rules and regulations for the administration of this law. This process is nearly complete and within the next few weeks proposed rule changes will be forwarded to the Division of State Documents to formally amend the State Personnel Rules. The following is a summary of those proposed rule changes affecting rights and benefits of part-time employees.

1. Part-time employees will have the same right to reinstatement after a period of separation from State service as that available to full-time employees.

2. Permanent employees may transfer between full-time and part-time positions.

3. Permanent part-time employees earn, may accumulate and may anticipate annual (vacation) and sick leave on a pro rata basis as these benefits are available to full-time employees. They are also entitled to payment for unused annual leave upon separation from State service.

4. Permanent part-time employees are paid for holidays falling on days they are normally scheduled to work.

5. Permanent part-time employees are entitled to the same personal leave benefit, three days per year, as is available to full-time employees. They are also entitled to paid leave for active military service, jury duty, being summoned to appear in a court action by subpoena and to take merit system examinations in the same fashion as full-time employees.

6. Permanent part-time employees are treated in the same manner as full-time employees with regard to payment of cash overtime and earning of compensatory leave.

7. Out-service training benefits (e.g. tuition reimbursement) are available to permanent part-time employees in the same fashion that they are available to full-time employees.

Health insurance coverage, which is not governed by rules, is also available to part-time employees in the same fashion as it is available to full-time employees. How part-time employees are to be treated under the State Employees' Retirement System has not yet been totally resolved, but is being pursued by the committee.

VI. Appendix

Marvin Mandel
GOVERNOR

Henry G. Bosz
SECRETARY

301 West Preston Street, Baltimore, Maryland 21201

August 6, 1976

Dr. R. Kenneth Barnes, Secretary
Department of Budget and Fiscal
Planning
State Treasury Building
Annapolis, Maryland 21404

Dear Dr. Barnes:

Attached is a copy of a memorandum I have sent to all departments in an effort to promote the requirements of Section 51 Article 64A relating to the establishment of permanent part time positions in executive agencies.

I would appreciate it if you would bring this matter to the attention of your staff with the view toward your budget analysts assisting their respective agencies to facilitate the budgeting of permanent part time positions thereby fulfilling the requirements of the law.

My staff is available to you and your staff to provide any assistance necessary to successfully implement this provision.

Sincerely,

Henry G. Bosz
Secretary of Personnel

HGB:im

Attachment

Marvin Mandel
GOVERNOR

Henry G. Bosz
SECRETARY

301 West Preston Street, Baltimore, Maryland 21201

August 10, 1976

MEMO TO: All Secretaries of Departments and Heads of Other State Agencies

SUBJECT: Permanent Part-time Employment

Our letter of July 20, 1976, informed you that Section 51 of Article 64A requires that each executive agency must file quarterly reports listing the number of its permanent part-time positions and describing what activities the agency is conducting to carry out the part-time employment law.

Because each agency is now in the process of preparing its budget request for F.Y. 1978, it is an opportune time to evaluate the existing staffing patterns to determine where part-time positions can be utilized.

Existing full time positions may be divided to create part-time positions by use of the M.S. 310 status document while new job requests for permanent part-time positions may be placed in your budget submission. I urge you to explore these possibilities.

If you need assistance in this endeavor, please contact Mr. William W. Saltzman, Telephone 383-4619 (Marcom 222-4619), or Mr. Gary C. Abrams, Telephone 383-6361 (Marcom 222-6361).

Henry G. Bosz
Secretary of Personnel

APPENDIX 2

STATE OF MARYLAND — DEPARTMENT OF PERSONNEL — CERTIFICATION OF ELIGIBLES

CLASS NUMBER AND TITLE 2596 CONSUMER SERVICES INVESTIGATOR

DATE 08/09/76

CHECK BLOCK IF COMMENTS ENTERED

SELECTION BASIS STATEWIDE

THIS LIST WILL EXPIRE 10/14/76

	VET. PREF. SOC. SEC. NO.	NAME		ADDRESS	POST OFFICE & STATE	ZIP CODE	ELIG. DATE	EXPIR. DATE			
1	213423004	HARTMAN	MR	5445 OLD COURT RD	RANDALLSTOWN	MD 21133	090278	290500	4	918	0
2	212441196	METALLO JR	PR	1945 SEARLES RD	DUNDALK	MD 21222	090278	290500	4	855	0
3	210420726	CONSTANTINO	AM	315 THIRD ST	BALTO	MD 21206	090278	290500	4	835	0
4	187121573	LOBOS	AT	7730 WYNBROOK RD	BALTO	MD 21224	111477	290500	4	830	0
5	163099545	MILLER	HW	400 TOWNSEND AVE	BALTO	MD 21225	090278		4	812	0

ALSO AVAILABLE FOR PART TIME EMPLOYMENT

128

146

147

APPOINTING AUTHORITY SELECTION BASIS USED MUST BE SHOWN BY X MARK IN BLOCKS AT RIGHT — OPEN — PROM — AS — TOTAL SELECTIONS ON THIS LIST — OPEN — PROM — ONE CODE FOR EACH SELECTION

SECRETARY OF PERSONNEL — NAME OF AGENCY — SIGNATURE OF APPOINTING AUTHOR

Exhibit 3

MAR 31 1977

HERBERT T. MATAYOSHI
MAYOR

EDWARD L. SILVA
DIRECTOR OF PERSONNEL SERVICES

COUNTY OF HAWAII
DEPARTMENT OF PERSONNEL SERVICES

25 Aupuni Street
Hilo, Hawaii 96720

March 29, 1977

Legislative Reference Bureau
State of Hawaii
State Capitol, Room 004
Honolulu, Hawaii 96813

Gentlemen:

Following are our comments in relation to job sharing by government employees.

At the outset we state that job sharing in the Hawaii County government is not feasible for the following reasons.

1. It would create difficult and complex problems in the field of labor management relations. Hours of work is one of the major negotiating subjects in the collective bargaining process. We cannot foresee the unions agreeing to a substantial reduction of hours with a corresponding reduction in pay.

If a job sharing program were instituted, a major problem would involve the procedure of filling those jobs. In light of existing labor agreements, seniority requirements and statutory provisions, an impossible or very difficult situation would be created. Government and union officials would probably be forced to spend an unreasonable amount of time toward the solution of grievances in relation to the filling of such positions.

2. Undoubtedly job sharing would affect a person's retirement income. When a person is close to retirement, it would be a bad time to share his position, since his retirement is based on his highest years of average compensation. Usually his highest years of earnings are at his ending years of work.

If he would share his job, he would end up with less retirement money at a time when he would need it the most. In addition it is not likely that the shared time would be credited to his retirement. This would also affect the amount he receives at retirement.

MEMBER
Public Personnel Association

3. In most situations people work full-time not as a matter of choice but of necessity. The cost of living is so high and inflation so destructive to earned income and savings, that job sharing would only mean welfare assistance for those on the lower end of the pay scale.

4. Job sharing would not contribute to the efficiency of County government. An IPMA Agency report (October, 1976) contends that " . . . many employers have been reluctant to experiment with job sharing because they believe it increases their costs for fringe benefits, supervisory time, and training".

Job sharing reminds me of the per diem status of certain public works employees in the 1950s who worked a few days per month. The pressure was always on for more days and full-time employment until it finally was granted at some cost to the government in relation to retirement and other employee advantages in the conversion process.

There are similarities between the per diem status mentioned and job sharing programs. We have no reason to feel that the pressures for more hours and full-time employment will be different.

5. At present the Hawaii County government has permanent full-time and permanent part-time positions. We also have some contractual positions. In addition our laws on sabbatical and other leaves are liberal. Taking all of these situations together, there is something to fit the needs of a wide variety of employees who seek a certain kind of employment. We can only do as much as our needs and available funds dictate.

In addition we have the Cooperative Vocational Education Program (Work Study) and may consider the Experienced Based Career Education Program (Project Holomua).

6. In conclusion we are not optimistic about a job sharing program for the reasons mentioned. If a job sharing program is to be considered, it should be done on an experimental or project basis with federal money to determine its practicality.

Very truly yours,

Edward L. Silva

EDWARD L. SILVA
Director of Personnel Services

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APR 25 1977

Exhibit 4

1611 Miller Street, #209
Honolulu, Hawaii 96813
February 4, 1977

Mrs. Lois Tyler, Co-chairman
Committee on Job-sharing
2649 Varsity Pl. #103
Honolulu, Hawaii 96826

Dear Mrs. Tyler:

In answering your letter of December 6, 1976, on the subject of job-sharing, let me first emphasize that my comments reflect my personal opinion and must not be construed to represent the policy of the Department of Labor and Industrial Relations, for which I work. I am not aware of any official position of the Department on job-sharing; such a position would be determined by the Governor, and supported by all Departments. It is possible that the Governor's Commission on Manpower and Full Employment or the Department of Planning and Economic Development would be instrumental in developing a formal position for the executive branch of the State government on the matter of job-sharing. May I suggest that you contact these agencies, in addition to the Department of Labor and Industrial Relations?

With the above qualification understood, I may state that I favor voluntary job-sharing on the grounds that it would allow some individuals now unemployed but desirous of working to become employed, and that it would allow individuals who are now fully employed to work fewer hours if they wished to do so. I would oppose mandatory job-sharing except where it is effected by the creation of new positions with the stipulation that they be shared. In other words, I do not think that any person should be forced to reduce his work hours if, as a consequence, his income or job-related benefits would be reduced.

The report on job-sharing which you sent to me mentioned most of the benefits I would stress--convenience, promotion of self-esteem, maintenance and better use of job skills and training, provision of earned income to individuals presently unemployed. I would suspect that the general state of the economy might be improved by job-sharing. A single-income family which added a permanent part-time income might decide to buy a home, for example; a student living at home might decide to move out and share an apartment with a friend, or buy a car. Of course, the income new to such individuals would have gone to other people if the jobs involved were not shared, but the people willing to take a reduction in pay would likely have spent the money in less economically-stimulating ways. Other benefits might be a reduction in crime paralleling a reduction in unemployment, and an improved quality of upbringing for children in families with more satisfied mothers and less financial worries.

Your report also mentioned a number of areas of concern, such as fringe benefits, moonlighting, and coordination with unions. I wonder what would happen to the promotional opportunities of a full-time worker if the next higher position for which he might be considered were converted in accordance with the job-sharing concept?

In your letter you posed the question, "How does the high unemployment rate affect other private employers, even those who have not laid off employees?" With respect to the unemployment insurance program, high unemployment can cause increased employer taxes. Under the State program, employers normally pay unemployment insurance taxes at rates based on their experience in the program; employers with good experience (few layoffs) have lower rates than do employers with less favorable experience. But when the level of the unemployment trust fund (from which unemployment insurance benefits are paid) is dangerously low, as can happen when more people are unemployed for longer times and lesser amounts of wages (against which the tax rates are applied) are being paid, employers' tax rates are increased by emergency provisions in the State law. All employers' unemployment insurance tax rates were increased by 0.5%, up to a maximum of 3.0%, in July 1974; all employers were required to pay a flat 3.0% rate beginning in April 1975; for 1977, all employers are subject to a uniform rate of 3.5%.

Employers also pay Federal unemployment tax. The Federal tax is normally 3.2%, against which employers can claim a credit of 2.7% if they have paid their State tax in full and on time. Because of the nationwide problem of continued high unemployment the Extended Benefits Program triggered on and the temporary Federal Supplemental Benefits Program was initiated. Both of these programs are financed from Federal unemployment tax revenues. Because of the resulting drain on the fund of revenues as unemployment remained high and benefits continued to be paid under these programs, the Federal unemployment tax was increased to 3.4% while the offset credit remained at 2.7%. In effect, employers' Federal unemployment tax rate rose from .5% to .7% beginning in 1977. This tax rate is applied against a taxable wage base which is now $4,200, but which will increase to $6,000 in 1978 in order to increase tax revenues.

You also asked if I agree with the statement that "a job-sharing program for Hawaii would lower the unemployment rate and the cost of unemployment benefit payments." I do believe that such potential exists for a job-sharing program, but whether or not the potential would be realized would depend upon who shared the jobs. Let me give some extreme examples. In each case, we'll assume that the people whose work is reduced do not begin to draw unemployment insurance benefits.

1. Each new job is filled by an unemployed individual who has been drawing benefits. Each new salary exceeds the new employee's weekly benefit amount by more than two dollars. In this case, total unemployment (that portion of the civilian labor force which is unemployed, including new entrants such as recent school graduates, re-entrants such as housewives who are returning to work, individuals drawing unemployment insurance benefits, and persons who have exhausted their benefits) would decrease. The

cost of benefit payments would decrease.

2. Each new job is filled by an employed person who wants additional income. In this case, there would be no effect on total unemployment, the total unemployment rate, insured unemployment, the insured unemployment rate, or the cost of benefits.

3. Each new job is filled by an unemployed individual who has exhausted his unemployment insurance benefits or who is a recent graduate. In this case, total unemployment and the total unemployment rate would decrease, insured unemployment would not change, the insured unemployment rate would decrease somewhat, and there would be no change in the cost of unemployment insurance benefits.

4. Each new job is filled by an individual who had not previously been in the labor force but who was attracted by the opportunity for suitable part-time employment. In this case, total unemployment would not change, the total unemployment rate would decrease slightly, insured unemployment would not change, the insured unemployment rate would decrease slightly, and there would be no change in the cost of benefits.

All of the above situations ignore the possibility that the number of unemployed new entrants to the civilian labor force could be sharply increased if people who had not earlier been looking for work decided to try to participate in the job-sharing program. While a job-sharing program would certainly create new employment opportunities, it would probably also increase labor force participation, thereby increasing competition for the available jobs. This could result in wider selection of qualified applicants to the advantage of employers, and it could also result in a larger number of disappointed job-seekers.

Not knowing how a job-sharing program would operate (Would unemployment insurance claimants be a target group for a program opening 13,000 part-time State and County government jobs?), I cannot guess what would be the resulting combination of factors mentioned in the four examples. Therefore, I cannot predict whether or not a job-sharing program would lower unemployment rates and benefit costs.

Thank you very much for sending me your job-sharing report. The report was informative and interesting, and the first comprehensive discussion of job-sharing I have read. I hope you will find my comments of some value to you; if you have questions regarding anything I have mentioned, please call me at 548-2680.

Sincerely,

Evangeline W. Cooper